

AGREEMENT

By And Between

BAY STATE GAS COMPANY

SPRINGFIELD DIVISION

And the

UNITED STEEL WORKERS OF AMERICA, AFL-CIO-CLC

On Behalf Of

LOCAL UNION NO. 12026 CLERICAL/TECHNICAL

May 15, 2004 - May 15, 2010

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I. INTRODUCTION

1. AGREEMENT

AGREEMENT made and entered into this 26th day of March, 2004 by and between BAY STATE GAS COMPANY, SPRINGFIELD DIVISION (hereinafter called the "Company") and UNITED STEELWORKERS OF AMERICA, AFL-CIO-CLC, Clerical Technical Unit (hereinafter called the "Union") in behalf of LOCAL UNION NO. 12026.

2. PURPOSE OF AGREEMENT

WHEREAS, the parties hereto have reached an Agreement as a result of collective bargaining for the purpose of facilitating the peaceful adjustment of differences, if any, that may arise from time to time, and to promote harmony and efficiency, the parties hereto contract and agree as follows:

II. RECOGNITION

1. UNION RECOGNITION AND BARGAINING UNIT

The Company agrees and does hereby recognize the Union as the exclusive representative of all full-time and regular part-time office clerical employees including Call Center employees, Revenue Recovery employees, Resource Deployment employees, Sales employees, Facilities employees, Engineering employees, Fleet employees, System Maintenance employees, Public Affairs employees and PC technicians employed by the employer at its Springfield, and Ludlow, Massachusetts facilities; but excluding managerial employees, professional employees, casual employees, confidential employees, guards and supervisors as defined in the Act, for the purpose of bargaining in respect to rates of pay, wages, hours of employment or other conditions of employment in the Clerical/Technical Unit, certified by the National Labor Relations Board in case number 1-RC-20910, dated January 27, 1999.

III. RESPONSIBILITY

1. RESPONSIBILITY OF MANAGEMENT

The Union agrees, for itself and its members, not to hinder or interfere with the management of the Company in its several departments, including the assignment of work, the direction of working forces, the right to hire, suspend or discharge for proper cause, to transfer employees to work for which they are better suited and to furlough employees because of lack of work, but in the exercise of these responsibilities in

management, the Company agrees that it will not discriminate against any member of the Union. This article shall in no way abrogate any other clause in this Agreement.

The Company retains the right to employ, transfer, promote or discharge employees, regardless of membership or non-membership in the Union.

2. RESPONSIBILITY OF THE LOCAL UNION

In Consideration of the commitments assumed by the company in this Agreement the Local Union agrees that its officers and members will cooperate directly and indirectly with the efforts of the employer to maintain high efficiency, productivity, and competence in the work force and to train employees to improve their skills and abilities.

The Local Union agrees that it will encourage its members to suggest improvements in practices and procedures and to welcome changes introduced to: improve service and performance; reduce costs, waste, damage and accidents; increase individual productivity. The Local Union agrees to support the efforts of management to provide economical and quality services to consumers and to encourage work assignments which fully utilize the skills and time of individual members.

3. RESPONSIBILITY OF EMPLOYEES

- a. Employees shall individually and collectively work so as to maximize operating efficiency and individual and group productivity. They shall make every effort to protect the property of the Company and represent the best interest of the Company in their relationships with consumers and the public.
- b. Employees shall not engage in work for pay on their own or for another employer when there may be a conflict of interest between the services provided by the company and the activities of the employee.

4. NO STRIKE - NO LOCKOUT

While this agreement is in force there shall be no lockout of the employees by the Company and neither the Union nor its members will cause or participate, directly or indirectly, in any strike or stoppage of work.

5. CORRECTIVE PROCEDURE

In further consideration of the mutual commitments contained herein, the parties hereto expressly agree that neither party shall bring, or cause to be brought, any court or other legal or administrative action against the other until the dispute, claim, grievance or complaint shall have been brought to the attention of the party against whom it shall be made and the said party, after actual notice of the same, shall within a reasonable time, fail to take steps to correct the cause of circumstances giving rise to such dispute, claim, grievance or complaint.

6. COMPLIANCE WITH LAWS AND REGULATIONS

In the event that any provision of this Agreement shall at any time be declared invalid by any court of competent jurisdiction, or by any duly constituted governmental agency of the United States or the Commonwealth of Massachusetts, such decision shall not invalidate the entire Agreement, it being the express intent of the parties hereto that all other provisions not so declared invalid shall remain in full force and effect.

7. NON-DISCRIMINATION

a. The parties to this Collective Bargaining Agreement agree that it shall continue to be their policy to prohibit discrimination of persons because of race, creed, age, sex, sexual orientation, color, national origin, handicapped, Viet Nam Era or disabled veteran status in hiring, lay-off, promotion; and all other terms and conditions of employment.

b. All reference as to the masculine gender in this Agreement shall be also construed to refer to the feminine gender where applicable.

8. SIDE AGREEMENTS AND EFFECT OF AGREEMENT

During the term of this agreement the Union and the Company will review all jointly signed letters or memoranda of agreement or recognized past practices and present such letters, memoranda or practices which it wishes to have continue.

Where the parties agree to continue such memoranda or letters of agreements or past practices they will continue.

Where the parties disagree on such memoranda or letters of agreement or past practices, they will be a subject of bargaining in the succeeding contract. However they will continue in force during this agreement.

Written grievance settlements shall continue in full force and effect.

IV. UNION MEMBERSHIP

1. UNION SHOP

It is agreed that all employees who are members of the Union as of the effective or execution date of this Agreement and all employees who thereafter have become or may hereafter become members of the Union, shall remain members of the Union in good standing for the duration of this Agreement as a condition of continued employment by the Company; and further that all new employees covered by this Agreement hired after the date of this Agreement shall after thirty (30) days of employment, become members of the Union and remain members in good standing for the duration of this

Agreement as a condition of continued employment. Good standing shall mean only the payment of the initiation fee and periodic dues.

2. REGULAR EMPLOYEE

Regular Employee shall include any employee, other than a temporary employee, who has been continuously employed by the Company for a period of six (6) months and has successfully completed the probationary period.

3. TEMPORARY EMPLOYEE

A temporary employee is an employee hired to fill a temporary position. Temporary employees are not covered by the provisions of this agreement. The Company, within its discretion, may end the employment of temporary employees. Such terminations shall not be subject to review in the grievance and arbitration procedure.

4. TEMPORARY EMPLOYEE PROVISIONS

(1) A temporary employee is one employed on the payroll of Bay State Gas Co., in a temporary position, performing bargaining unit work, for a period not to exceed six (6) months, for any of the reasons listed below:

- I. for a special project; or
- II. as relief for an employee absent for any reason (vacation, leave of absence, jury duty, bereavement, etc.); or
- III. for operational needs that occur without regularity

(2a) Temporary employees, during their period of employment as temporary employees, are not subject to any of the terms of the labor agreement, except as specifically provided for in this section. As such, they have no recourse to the grievance and arbitration procedure, may not bid on posted job vacancies, are not eligible, generally, for employee benefits, including, but not limited to the Company's various medical and dental plans, vacation, the Company's short term and long term disability plans and the Company's pension, savings and 401k plans, except as may be required by the Employee Retirement and Income Security Act (ERISA) of 1976. However, temporary employees, working on a full-time basis, who have completed ninety (90) days of temporary employment will be eligible for holiday pay in accordance with Article IX of the collective bargaining agreement. Temporary employees will be paid in accordance with Article VI (Wages) of the collective bargaining agreement while performing bargaining unit work.

(2b) Temporary employees do not accrue seniority during their term of temporary employment and may be placed on layoff status at any time at the sole discretion of the Company. Temporary employees placed on layoff status have no bumping rights under the agreement and are not eligible for recall or severance pay. Although temporary employees may not bid on posted job vacancies, the Company, in its sole

discretion, may consider such employees for regular job vacancies when they occur.

- (3) If a temporary employee's employment exceeds six (6) continuous months and at least one-thousand (1000) hours of work, such temporary employee will become a regular employee with seniority computed from their original date of hire. Such employee, based on their original date of hire, shall be eligible for all the rights, benefits, privileges and responsibilities afforded all other regular employees of the Company that are similarly situated.
- (4) The Company may use agency temporary employees in situations where this agreement permits the use of temporary employees who are on the payroll of the employer. The use of an agency temporary employee to fill any one position will not exceed one hundred twenty (120) days. Should the need to fill the position exceed the one hundred twenty (120) day period, the Company may fill the vacancy, as it deems appropriate, with a temporary employee on the payroll of the Company or with a regular employee.
- (5) Temporary employees on the payroll of the employer, shall as a condition of employment, maintain membership in the Union in good standing through payment of initiation fees and periodic dues uniformly required for membership in accordance with Article IV, Section 9, (Union Membership) of the collective bargaining agreement.
- (6) The classification "Temporary Employee" does not include the classification of "Summer Employee".

5. FULL TIME EMPLOYEE

A full-time employee is any employee regularly scheduled to work at least thirty-five (35) hours or more per workweek.

6. PART TIME EMPLOYEE

A part-time employee is any employee who is regularly scheduled to work less than thirty-two (32) hours per week.

7. PART-TIME EMPLOYEE PROVISIONS

- (1) A part-time employee is one who is hired to regularly work less than thirty-two (32) hours per week.
- (2) Regular part-time employees shall be paid on an hourly basis not less than the hourly rate of pay for their classification and experience on the job. Wage rate progression shall be applied on a pro-rata basis, counting all hours worked up to a

maximum of forty (40) hours per week. However, a part time employee shall progress to the next step in at least one (1) year.

- (3) Regular part-time employee's who have completed six (6) months of service by September 1 of the calendar year, shall be entitled to one week of vacation with pay during the first year of employment. Regular part-time employees continuously employed by the Company who meet the service requirements indicated in Article VIII, Section 1, (Vacation) of this agreement by December 31 of the calendar year, shall be entitled to vacation during the calendar year with pay in accordance with Article VIII, Section 2. Vacation pay for part-time employees will be computed on a pro-rata basis, based upon the number of regularly scheduled hours in the part-time employees regular work week.
- (4) Regular Part Time employees who have been on the payroll of the Company for a minimum of six (6) months may purchase medical coverage at the full group rate. Such coverage must be purchased within one (1) month of attaining six (6) months of service or at the next open enrollment period. Payment for the succeeding months benefit must be delivered to the Human Resource Department by the 25th day of each month for the succeeding month or through payroll deduction.
- (5) Regular part-time employees will be eligible for pro-rata Holiday and sick pay in accordance with Article IX, (Holiday Pay) & Article XII, Section 3, (Sick Pay) of this agreement if such Holiday falls on one of their regularly scheduled workdays. Holiday pay for part-time employees will be computed pro-rata based on the employees regularly scheduled daily hours. Additionally, regular part-time employees will be eligible for shift differential and the Saturday/Sunday Allowances.
- (6) Regular part-time employees may participate in the Company's pension and 401K plans as may be required by the Employee Retirement and Income Security Act (ERISA) of 1976, as amended.

8. PROBATIONARY EMPLOYEES

The term "probationary employee" means those hired on a six (6) month trial to fill regular authorized positions which are open or expected to be open. It is understood that if such probationary employees are found satisfactory and if the positions are still open, they will become regular employees.

Probationary employees are covered by the provisions of this Agreement and during the probationary period shall be eligible for all benefits except those disability benefits defined in this Agreement, but the retention of a probationary employee is at the discretion of the Company and termination of employment during the probationary period or extension thereof shall not be subject to review through the grievance and arbitration procedure.

9. DUES DEDUCTION

The Company shall deduct from wages weekly and to remit monthly to UNITED STEEL WORKERS OF AMERICA, 5 Gateway Center, Pittsburgh, Pennsylvania the membership dues and initiation fees uniformly required of each employee on whose account such deductions are to be made, pursuant to a written assignment on a form approved by the Company. Membership dues shall be as designated by the International Secretary/Treasurer and certified by the UNION to the COMPANY. Such form shall contain such provisions concerning irrevocability, duration, revocation and automatic renewal as the UNION may request but only to the extent that such provisions comply with the applicable requirements of Section 302 (C) of the Labor Management Relations Act, 1947, as now or hereafter amended, as said requirements may from time to time be interpreted by appropriate governmental authorities.

The Union shall indemnify and save the Company harmless against any and all claims, including legal fees, which may arise out of or come into being by reason of any action taken or not taken by the Company for the purpose of complying with this dues deduction provision.

V. HOURS OF WORK

1. WORKDAY, WORKWEEK

Eight (8) hours shall constitute a basic work day. Forty (40) hours shall constitute a basic work week. However, this section does not in any manner guarantee a number of hours that any employee may work during the week, nor does it constitute a limitation on the number of hours any employee may be required to work in any such work week. For administrative purposes, each workday begins at 12:01 a.m. and each work week begins on Sunday at 12:01 a.m.

The Union and the Company agreed to develop a flexible workweek schedule that would provide for the opportunity to establish a four (4) ten (10) hours per day schedule. See Memorandum of Understanding in Article XVII

.2. WORK SCHEDULE

The determination of the starting and ending times of daily and weekly work schedules for individual employees, groups of employees or departments shall always be made by the Company. Such schedules may be changed by the Company from time to time in accordance with operational requirements, in which case such schedule changes shall be made with not less than twenty-four (24) hours notice, except in cases of emergency when such notice shall not apply. If the shift of an employee is temporarily changed such employee shall return to their bid shift on completion of the temporary assignment. Whenever practical, volunteers will be utilized for shift changes.

Emergency, for purposes of this section shall mean any event which is outside the immediate control of the Company.

3. LUNCH PERIOD

Employees scheduled to work more than six (6) hours per day will be allowed an unpaid meal period of thirty (30) minutes.

Employees assigned to work where eight (8) hours of continuous operation is necessary shall be allowed a meal period of twenty (20) minutes with pay. Such meal time is to be taken so as not to interfere with continuous operations of service.

Lunch periods will be scheduled by department supervisors.

4. WORK BREAKS

Employees scheduled to work more than six (6) hours per day, will be allowed two (2) paid fifteen (15) minute breaks from work.

Employees scheduled to work six (6) hours or less per day, will be allowed one (1) paid fifteen (15) minute break from work.

Breaks will be scheduled by department supervisors.

5. CALL CENTER SHIFT BIDDING

The current process of "shift bidding" will be utilized for regular Full Time employees when shifts are changed or newly created by the Company. Bidding will be done on the basis of Bargaining Unit seniority. Bid sheets will be posted thirty (30) days in advance of any shift change date except in cases of emergency.

If a department schedule change is needed due to operational requirements, the Company will be responsible for notifying those employees who are scheduled to be absent, of the upcoming bidding process.

In the event of absence for any reason, the employee will be responsible for submitting their bid. Failure to do so, will result in the assignment of any remaining shift(s).

Coverage Shifts

All "Coverage Shift" employees will be assigned coverage within classification on a rotating basis. All "Coverage Shift" employees will be given a 14 day written notice of any shift change except in the case of emergency.

6. UNION LEAVE OF ABSENCE

Without loss of seniority rights, employees who are members of the Union when delegated or elected to transact business or matters pertaining to the Union shall be granted such leave of absence as may be approved by the Company.

Upon written request of the International Union, the Company will grant an unpaid full-time leave of absence to an employee, without loss of seniority rights, for the purpose of conducting Union business for a period not to exceed twenty-four (24) months.

7. LEAVE FOR MATERNITY

An employee who has completed the six (6) months probationary period and who is pregnant will be eligible for a maternity leave without pay and without loss of seniority, not to exceed six (6) months, including the period of paid disability, vacation and unpaid leave (unpaid leave cannot exceed three (3) months) and upon return to work shall be restored to the previous position or a similar position with the same status as of the date of leave unless operating conditions occur during the absence which affect the employee's seniority status.

Health and life insurance shall be continued for up to six (6) months for each maternity leave granted. However, the employee must continue to contribute toward the cost of any benefit plans that require employee contributions during the leave of absence.

Holidays occurring within any disability period are paid under the disability provision of the Labor Agreement.

Holidays occurring within any unpaid leave of absence shall not be paid.

If an employee has medical complications, the paid leave period provided under Article XII (Personal Security) shall apply in accordance with applicable laws.

VI. WAGES

1. WAGE LEVELS – SEE APPENDIX A TO F

a. Effective May 15, 2004, Present 24 month job rates will be increased by two and one half percent (2.5%). However, due to the early ratification of this agreement this wage increase was provided effective April 4, 2004

b. Effective May 15, 2005, Present job rates will be increased by one and one half percent (1.5%)

c. Effective May 15, 2006, Present job rates will be increased by two percent (2%)

- d. Effective May 15, 2007, Present job rates will be increased by two percent (2%).
- e. Effective May 15, 2008, Present job rates will be increased by two percent (2%).
- f. Effective May 15, 2009, Present job rates will be increased by two percent (2%).

2. RED CIRCLE RATE EMPLOYEES

Employees whose rate exceeds the maximum for the position that they are working effective May 15, 2004 will be eligible to receive the annual percentage increase in a lump sum until such time as their rate is within the agreed to wage structure. In all situations the employee(s) will be guaranteed to receive an annual increase equal to the agreed to percentage increase.

3. WAGE GRADES

Jobs of the same relative value are grouped together into a Wage Grade. The grade determines the rate of pay for all jobs included in the grade.

4. WAGE RANGES

Wage ranges are established for each wage grade. A minimum and maximum rate applies to each job.

5. WAGE DETERMINATION

Wage differentials between jobs are based on differences in responsibilities, skills and duties.

In the event a new job is established, or a substantial change is made in the duties of an existing job, the rate for a new or changed job shall be established by the Company, based on its equitable relationship to other jobs.

During the thirty (30) day period immediately proceeding the expected date of the change, the Company shall discuss the appropriate wage grade and rate with the Union. If the Union disagrees, they shall have the right for a period of six (6) months thereafter to appeal the Company's decision through the grievance and arbitration procedure, and the final rate determination shall be paid as of the date the job was filled or changed.

6. WAGE ADMINISTRATION

The Company established job classifications and the combination of duties that make up a job classification also determined whether or not a classification shall be filled and how many individuals are required in a classification at any time.

Individuals within a classification are required to perform all duties included in the classification.

To be eligible for promotion, employees bidding for posted openings must meet the minimum qualifications established for the job.

7. WAGE PROGRESSION

Progression to the job maximum rate shall be in intervals of no longer than a maximum of six (6) month service steps from the date of entry into the job.

9. BIDS BETWEEN JOBS

a. To a Higher Wage Grade

An employee who bids to a job in a higher grade shall be paid the minimum for the job or the step rate next above their present rate, whichever is higher, and continue the established progression for the new grade.

b. The Same Wage Grade

An employee who bids to a job in the same grade shall be paid their present rate and continue the established progression, if any, to the maximum job rate.

c. To a Lower Wage Grade

An employee who bids to a job in a lower grade shall receive the step rate nearest their present rate but not to exceed the maximum job rate for the new job and continue the established progression, if any, for the new job.

d. Crediting of prior transfer time

The crediting of prior temporary transfer time in a particular job classification will be credited to employees for pay purposes when they are successful bidders to that same classification at a future date, as follows:

1. Such temporary transfer time must have occurred within three (3) years of the date of the successful job bid and such temporary transfer time must have been for a minimum of thirty (30) consecutive days or for a total of ninety (90) intermittent days in a calendar year.
2. Employees will be individually responsible for tracking their temporary transfer time and for providing such documentation to the Company in order to receive credit under the provisions of this agreement when they are successful bidders to a particular job

classification. The Company will supply employees with tracking calendars at their request.

3. Time spent in a temporary transfer is not to be used as a determining factor in the awarding of a job to a job bidder.

10. TEMPORARY TRANSFERS

An employee who is temporarily transferred to a job in a higher grade shall be paid the minimum for the job or the step rate next above their present rate, whichever is higher. An employee who is temporarily transferred to a job in the same grade shall be paid their present rate and continue the established progression, if any, to the maximum job rate. An employee who is temporarily transferred to a job in a lower grade shall continue to receive their regular rate of pay and continue the established progression in their grade. However, this shall not apply where employees are learning the duties of the new job. If, however, the employee has held the position before and was at the rate maximum, the employee would receive the maximum rate. If the employee has been transferred to the job in the past, they would receive credit for the time spent on said transfer and the paid progression rate would apply.

VII. ALLOWANCES

1. OVERTIME RATE

One and one-half times an employee's regular hourly rate shall be paid to a regular full time employee for hours worked in excess of forty (40) hours in any one work week and in excess of eight (8) hours in any one workday. Overtime rate of pay shall not be applied more than once to any particular hour of overtime work.

An employee who works seven (7) days within a workweek will be paid double time for all work performed on the seventh day.

2. OVERTIME DISTRIBUTION

It is recognized by both the Company and the Union that the needs of a public utility operation may require overtime work and that the work involved must be accomplished by qualified employees. The amount of overtime and the schedule for working such overtime will be established by the Company. The Company, in scheduling in-classification overtime work, will distribute such overtime work in accordance with the overtime list(s), to employees in-classification who are qualified to perform the work available.

- (a) Overtime will be distributed on a rotating basis, based on an in-department, in-classification bargaining unit seniority list to regular full-time employees within job classifications.
- (b) The overtime list and the list for holiday overtime will be updated and posted weekly.
- (c) Employees who refuse overtime opportunity will not be offered overtime again until all other employees on the overtime list, in rotation, have been offered such overtime opportunity.

If overtime is still available after following the procedure above for in-classification overtime, the Company will attempt to use qualified volunteers out of classification before requiring the junior employees in-classification to work such overtime.

3. CALL-OUT AND EARLY WORK START

a. Call-out

Employees who are recalled to report for work after completing a scheduled work day (period or shift) and after leaving the premises of the Company, shall be paid at the rate of double time for such time worked but not less than six (6) hours pay at their regular straight time rate of pay for such call-back.

b. Travel Time

Fifteen (15) minutes travel time shall be allowed each way on such call-back.

c. Advance Notice

The call-out allowance shall not apply when the employee has been given at least twelve (12) hours advance notice of such call-out. When this occurs, the rate and time-and-one-half for hours worked outside of the regular work schedule shall apply.

d. Early Work Start

An employee called within two (2) hours of their regular scheduled reporting time shall be paid at the rate of time-and-one-half from the time the call is received until their starting time when they continue to work into their scheduled workday.

4. SHIFT WORK AND PREMIUMS

First, second and third shifts are defined as follows:

1. If a majority of the hours of a scheduled shift fall within the hours of 8:00a.m. to 4:00 p.m., the shift will be considered the first shift.

2. If a majority of the hours of a scheduled shift fall within the hours of 4:00p.m. to 12:00 midnight, the shift will be considered the second shift.
3. If a majority of the hours of a scheduled shift fall within the hours of 12:00 midnight to 8:00 a.m., the shift will be considered the third shift.

A regular employee, regularly scheduled to work on the second shift, shall be paid, in addition to his or her regular hourly rate, a premium for each hour actually worked on the second shift of one dollar and sixty-five cents (\$1.65), effective May 15, 2004 and one dollar and eighty cents (\$1.80) effective May 15, 2007.

A regular employee, regularly scheduled to work on the third shift, shall be paid, in addition to his or her regular hourly rate of pay, a premium for each hour actually worked on the third shift of one dollar and eighty cents (\$1.80) effective May 15, 2004 and two dollars (\$2.00) effective May 15, 2007.

If the hours worked by an employee are evenly divided between any of the shifts described above, the appropriate shift differential shall apply to all hours actually worked.

Such shift allowances shall apply to wages paid for holidays and vacations. They shall not apply to wages paid for other excused and unexcused absences.

5. SATURDAY AND SUNDAY WORK

A regular employee whose work schedule includes a Saturday and/or Sunday as part of their regular workday within their regular workweek, shall be paid, in addition to their regular hourly rate, an allowance for all hours actually worked as follows:

May 15, 2004	Saturday	\$4.70	Sunday	\$7.05
May 15, 2007	Saturday	\$4.95	Sunday	\$7.25

6. MEAL ALLOWANCE

Employees required to work two (2) or more consecutive hours beyond the end of an eight (8) hour workday, or four (4) or more consecutive hours on a day other than their regular work day, will be paid a meal allowance as follows:

May 15, 2004 \$10.75
May 15, 2007 \$11.50

7. BI-LINGUAL PAY

An alternate rate as shown below will be paid per hour to employees authorized by the Company to perform bi-lingual work.

January 1, 2000 \$.75

8. BEREAVEMENT

Employees shall be granted up to three (3) consecutive workdays, ending with the day of the funeral, without loss of pay, in the event of the death of an employee's father, mother, brother, sister, father-in-law, mother-in-law, daughter-in-law, brother-in-law, or sister-in-law, or grandchildren and (4) consecutive workdays off without loss of pay in the event of the death of an employee's spouse or child, and one (1) day off, the day of the funeral or religious service without loss of pay, in the event of the death of an employee's step-father, step-mother, step-child, uncle, aunt, and grandparents. In the event that any of the forgoing lives in the immediate household of the employee, the one (1) day may be extended at the discretion of management.

9. JURY DUTY

If a regular employee is required to be absent from work because of jury service, the Company will compensate the employee while on such service by making up the difference between what the employee would have received as pay for their regularly scheduled workweek (40 hours) and that which they received because of such jury service.

During the period of jury service, an employee will be deemed to be on a Monday through Friday work schedule. Employees who are excused from jury service before noon shall return to work for the remainder of that day.

10. MILITARY SERVICE

A leave of absence shall be granted to any employee who leaves a position other than a temporary position to enter military service. Such employee shall be entitled to all re-employment rights and other benefits under the Universal Military Training and Service Readjustment Act of 1951, and any amendments thereto.

A regular employee with six (6) months or more of service will be granted a leave of absence for the purpose of attending annual military training with a recognized military unit of the State (National Guard) or Federal Armed Forces, (Army, Navy, Marine Corp. Air Force and Coast Guard), and will, upon application and presentation of proper documents, be paid the difference, if any, between military earnings and the earnings he or she would have received from the Company during the period of temporary military duty, but not to exceed two (2) weeks in any calendar year.

Any entitlements or other earnings, which a member of the military shall receive by virtue of his or her rank, shall be counted as earnings in the application of this section.

11. REST TIME

a. Scheduled first shift employees - When call-outs begin prior to midnight and continue past midnight, an hour of rest time will be accrued for each hour worked after midnight. If work continues beyond four (4) hours prior to the employee's starting time, the employee will be entitled to the following shift off with pay. When call-out begins after midnight and a full four (4) hours of work is required prior to the employee's starting time, the employee will be entitled to half of the following shift off with pay. Breaks of two (2) hours or less will be included in determining total consecutive time.

b. First, second and third shift employees: Except in emergencies, no employee shall be expected to work more than sixteen (16) consecutive hours. In the event an employee is required to work more than sixteen (16) consecutive hours, such employee will be compensated at the rate of two-and-one-half times their regular rate of pay. At the end of sixteen (16) hours or more of consecutive work, the employee will be entitled to a rest period of seven (7) consecutive hours before resuming normal operations. This will be without any loss of pay if the seven (7) hours overlap their normal shift. Should more than one-half of the shift be involved, the employee shall have the entire shift off with pay.

c. Work performed during accrued rest time shall be paid for at the employee's rate plus his regular straight time rate.

12. REST TIME - SHIFT CHANGE

The Company's normal practice is to arrange work schedules so that each workday is separated by at least eight (8) hours. When this is not possible, employees will have the option on the second day of:

1. Working the normal schedule or
2. Working an eight (8) hour shift beginning eight (8) hours after the conclusion of day one or
3. Beginning work eight (8) hours after the conclusion of day one and concluding at the employee's normal shift end.

If the third option is selected, the employee will be paid for hours worked.

During the period November 1 through March 15, only options #1 and #2 above apply in the Call Center.

VIII. VACATIONS

1. VACATION ELIGIBILITY

Regular employees who have completed six (6) months of service by September 1 of the calendar year shall be entitled to one (1) week of vacation with pay during the first year of employment.

In the event an employee is called for Jury Duty during part or all of his/her vacation time, he/she shall receive extra vacation days equivalent to the number of days during their vacation for which they qualified for Jury Duty.

Regular employees continuously employed by the Company, who meet the service requirements indicated below by December 31 of the calendar year, shall be entitled to vacation during the calendar year with pay as follows:

SERVICE REQUIRED	VACATION
One Year	2 Weeks
Three Years	3 Weeks
Ten Years	4 Weeks
Twenty Years*	5 Weeks*

*Employees hired on and after January 1, 2005 are not eligible for the 5th week of vacation.

2. SELECTION AND LIMITATIONS

Vacations shall, as far as is practicable, be granted during the normal vacation period at the time selected by the respective employee with selection up to the first two (2) weeks to be by seniority. After each employee has had an opportunity to select their first two (2) weeks, each employee may then select any remaining vacation by seniority. If an employee requests part of their annual vacation other than during the normal vacation period, the Company will make every effort to comply provided their absence during that period will not unduly disrupt the Company's operations, but the final allotment of vacation periods shall be exclusively reserved to the Company.

An employee may elect to defer a maximum of 2-weeks to the following year's vacation time earned in excess of two (2) weeks. The taking of deferred vacation shall be granted when there are no conflicts and no adverse effects on operations. Employees who elect to defer vacation time should advise their Supervisor prior to September 1 of the year the vacation is due. Deferred vacation is to be paid at the pay rate in effect at the time the vacation was earned.

Subject to operating requirements, the current practice of permitting employees to take vacation time in one (1) day and half (1/2) day increments will be continued for up to a maximum of two (2) weeks of eligible vacation time.

Vacation pay shall be based on forty (40) hours at the employee's straight time hourly rate, including shift or Saturday or Sunday allowances for an employee who is and has regularly been assigned to a second or third shift or Saturday or Sunday work schedule.

When a holiday occurs during an employee's vacation, he will be granted an additional day of vacation at a time mutually convenient to the Company and the employee.

Vacation earned within a calendar year and not taken will be paid to the employee upon termination and the beginning of a layoff or extended leave of absence or to the employee's surviving spouse or dependent.

The Union may request once annually to meet with the Company to discuss vacation scheduling.

IX. HOLIDAYS

1. HOLIDAYS OBSERVED

The Following days shall be recognized as holidays on the day they are observed in Massachusetts. However, when a holiday falls on a Saturday it shall be observed on the preceding Friday or if such holiday falls on a Sunday, it shall be observed on the following Monday.

For purposes of this paragraph the holidays listed below shall be the Holidays observed by the Company:

New Years Day, Washington's Birthday, Patriot's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, the day after Thanksgiving, Christmas Day and the employee's birthday.

If an employee's birthday actually falls on a Monday, such employee shall be permitted to take a Monday birthday holiday, provided such holiday is scheduled two weeks in advance.

2. HOURS

For purposes of this Agreement, a holiday shall commence at 12:01 a.m. on the day of the holiday and continue for twenty-four (24) hours.

3. ELIGIBILITY

To be eligible for holiday pay, an employee, unless otherwise excused by his or her supervisor, must have worked their full regularly scheduled shift the day before and the day after the holiday.

Any employee who would otherwise be entitled to the benefits of this section shall not lose such benefits if the employee is absent from work for any of the following reasons:

1. Injury sustained in the course of employment with the Company which occurs within a seven (7) day period before or after the holiday;
2. Death in the immediate family;
3. Jury Duty;
4. On an approved leave. However, no employee shall be eligible for holiday pay if such employee has not worked within a seven (7) day period before or after the holiday;
5. The Employee is absent as a Union delegate or on Union Business with the approval of the Company.

4. ALLOWANCES

All employees to whom this Agreement applies, shall be paid eight (8) hours of pay at their regular straight time rate for the twelve (12) holidays listed above when such holiday falls within their regularly scheduled workweek and no work is performed on the holiday. Such hours shall accumulate toward weekly overtime.

Shift allowances shall apply to wages paid for holidays and vacations. They shall not apply to wages paid for other excused absences.

If a regular full-time employee is required to work on an observed holiday, such employee shall receive two (2) times their regular rate of pay for all hours worked on the holiday plus the holiday allowance specified above. At the employee's request, a paid compensating day off which is mutually agreeable to the employee and the Company may be substituted for the holiday allowance specified above.

X. OPPORTUNITIES FOR ADVANCEMENT AND RECOGNITION

1. JOB POSTING

When a job is open within the classifications covered by this Agreement, it shall be posted in all departments and shall remain posted for five (5) consecutive workdays with the exception of Saturdays, Sundays and holidays, which shall be excluded in determining the period of posting, but shall not be held to break the continuity thereof. All bids for job openings shall be in writing, and shall be submitted during the said five (5) day posting period. Such a job bid may be submitted by a Shop Steward on behalf of an employee who is absent because of illness or injury or because they are on vacation, provided that the Shop Steward shall have been requested to do so by such employee. No such absent employee shall be eligible for such job opening unless such employee returns to work within thirty (30) calendar days after they have been notified that they are the successful bidder. The Company and the Union may mutually agree to waive this requirement.

In filling such job opening, seniority as defined elsewhere in this agreement shall be the determining factor, subject to the minimum qualifications and fitness as determined by the Company, on a non-discriminatory basis. The Company agrees to fill all job openings so posted as soon as reasonably practical after the five (5) day posting period, but in any event within fourteen (14) calendar days thereafter. If there are no bidders or no successful bidders for a job so posted, then the Company may fill the job from any source.

The successful applicant may be returned to their former job by the Company for a valid reason during the six (6) month period on the job or the successful applicant may be returned to their former job for a valid reason at their own request during the above mentioned six (6) month period.

In the event an employee chooses to return to his or her former job or is returned to his or her former job as a result of unsatisfactory performance, such employee shall be disqualified from further bidding for a period of twelve (12) months or for six (6) months if he or she is returned by the Company.

New employees may not bid for the first six (6) months of employment and, regardless of length of service, no employee may make a successful bid more than once every thirteen (13) weeks.

XI. EMPLOYMENT SECURITY

1. SENIORITY

1. Company Seniority shall be defined as the length of time an employee has been continuously employed by the Company as a regular full time or regular part time employee and shall be used in the computation of any benefits or in the exercise of any seniority rights provided by the provisions set forth in this Agreement.
2. Bargaining Unit Seniority shall be defined as the length of time an employee has been continuously employed in the Bargaining Unit as described under the provisions of this Agreement entitled "Union Recognition".
3. When employees have equal Company seniority, the employment application having the earliest date will have preference.
4. An employee shall lose all seniority and other rights under this Agreement and the employee's relationship to the Company shall be terminated for any of the following reasons:
 - (a) Resignation

- (b) Discharge for cause;
- (c) Failure to return to work at the expiration of an approved absence or an approved leave of absence;
- (d) Absence for more than three (3) days without notice to the Company;
- (e) Layoff in accordance with the layoff provisions of this agreement.

2. SENIORITY LIST

The Company will furnish to the Union, quarterly upon request, a unit seniority list. Additionally the Company will provide on a monthly basis, a list of newly hired bargaining unit employees hired during the month.

3. LAY-OFF

A. The layoff of employees shall be determined by seniority provided they have the demonstrated ability to perform the available work. It is the intention of the layoff procedure to offer continued employment to senior employees.

B. When a layoff occurs, the following procedure will be followed:

Employees in the job title to be curtailed will be polled to determine if any wish to take voluntary layoff. Those volunteering will be laid off. Thereafter, curtailment within the job title will be in inverse order of seniority. Those employees to be laid-off will be offered, in order of seniority, the following options:

Option 1: To bump the junior employee in any job title on any shift provided he or she has successfully performed the job according to the Human Resource records of the Company or is able to meet the requirements of the job following a brief familiarization period under normal supervision.

Option 2: To take any open job, with preference in choosing among open jobs being given in accordance with seniority. "Open job" as used here, includes jobs posted but not bid on and jobs held by probationary employees and/or part-time employees.

C. Employees exercising Option 2 will be offered the same training offered a successful bidder.

D. Any employee who elects to exercise either Option 1 or Option 2, must exercise such option within 24 hours, excluding weekends and holidays, of notice by the company of any impending lay-off or job bumping action.

E. If an employee fails to exercise his or her option(s) within the time frame above, such failure to act will be deemed to be a waiver of the right to exercise such option(s)

and the company shall then proceed with the lay-off or bumping procedure by placing the employee in accordance with Options 1 or 2.

F. An employee who exercises his or her right to bump under Option 1 and fails, will be placed on layoff and will have recall rights only to his or her bid job.

G. Any employee bumped in the course of the forgoing procedure will be offered the paragraph "B" options.

H. When decreasing the work force, the Company will give the employees to be indefinitely laid-off at least fourteen (14) calendar days notice unless the employee is absent from work at the time such notice is given.

I. When the employer decides to recall employees from layoff, the employees will be recalled to their bid job from layoff and/or displaced positions then being held by such employee in reverse order of the layoff followed above.

1. Should an employee in a displaced position refuse recall to his or her last bid job, such refusal will count as a successful bid using the date of such refusal as the date of the successful bid.

2. Union officer(s) involved in the day to day operations of the collective bargaining unit shall be the last persons to be laid off, transferred or assigned out of the shift or department(s) to which they have been assigned, provided they are qualified to perform the jobs available in each shift or department(s) in accordance with (B) above. This does not preclude, however, the right of the Company to temporarily transfer a union officer to another job classification.

J. Length of continuous service shall be computed from the original dates of hiring unless broken by:

1. Absence from work for more than three (3) consecutive days without notification to the Employer,
2. Voluntary termination or quitting by the Employee;
3. Discharge for just cause;
4. Layoff for more than two (2) years except employees with less than two (2) years service will be limited to their period of service for purposes of recall rights and continuous service.
5. An employee who has been laid off fails to notify the Company of his or her intent to return to work within three (3) days and who actually fails to return to work no later than the sixth (6) day after being notified to do so

by the Employer at the Employee's last address as shown on his or her records at the Human Resource office of the Company;

Employees who are promoted to jobs not covered by this Agreement will continue to hold and accrue seniority for a period of ninety (90) working days.

Employees with recall rights to an open job which is their bid job, will be offered recall before any other employee is considered for such open job. If job openings occur while employees are laid off, employees may apply for such open jobs under the following procedure, provided that there are no employees who hold recall rights to such open job. Employees on lay-off status will be notified of job vacancies to which no employee has prior recall rights.

An employee who refuses recall to his or her former bid position, immediately forfeits any rights to that position.

4. SEVERANCE ALLOWANCE

The Company will pay severance allowance to eligible employees as follows:

a. Regular employees after one (1) year of service shall be given an opportunity to accept a severance allowance of one (1) week's base pay for each full year of continuous service at the time of layoff unless they choose to accept layoff and be eligible for recall. Employees who choose to accept layoff and remain eligible for recall in accordance with Article XI, Section 3 of this agreement, shall remain eligible for tuition reimbursement in accordance with the Company's tuition reimbursement policy during their period of recall.

b. Severance allowance shall be in addition to any earned but unused vacation benefits for which the separated employee is eligible.

Employees shall not be required to accept severance pay at the time of layoff, but shall have the option to accept the severance pay option at any time during their period of recall in accordance with Article XI, Section 3 of this agreement.

Employees who accept severance pay forfeit their recall rights, if any, and must agree to the Company's standard separation and release form. Employees who elect not to accept severance pay shall retain recall and employment rights in accordance with Article XI, Section 3 of this agreement.

The Human Resource Department will be responsible for tuition reimbursement administration for employees on layoff who have recall rights in accordance with Article XI Section 3 of this agreement.

XII. PERSONAL SECURITY

1. WAGE CONTINUATION DURING DISABILITY

This provision for continuing earnings during periods of personal disability is not intended as an annual entitlement to cover absence for any personal reason, but is solely for the protection of a regular full-time employee temporarily and legitimately disabled and usually under the care of a physician.

Any employee claiming disability benefits may be required to submit to an examination by a physician designated by the Company. Should there be any disagreement between the Company's designated physician and the employee's attending physician, an independent medical exam will be conducted by a third physician, such physician to be mutually acceptable to both parties. Except as provided for in Paragraph 3 of this Section, such physician shall make a final and binding determination of the eligibility of the employee for benefits or continuation of benefits.

An employee whose disability is due directly or indirectly to intoxication or to drugs or narcotics, excluding medication prescribed by a doctor, or to injuries as a result of willful misconduct or horseplay, or to injuries while in the employ of another employer or while working at another job for pay, shall not be entitled to any disability pay or benefits.

If an employee of the Company covered by this Agreement is eligible to receive any benefit under Chapter 90, Section 34A of the Massachusetts General Laws (no fault automobile insurance), such employee shall not be eligible to receive any of the benefits described in this Article, provided that if the benefits said employee would have received under the plan described herein above exceeds the benefits for lost wages which they are eligible to receive under Section 34A, the Company shall pay the difference.

2. OCCUPATIONAL DISABILITY

Time lost on account of occupational injuries will not be regarded as personal disability. The Company agrees to pay regular full-time employees governed by this Agreement the difference between their regular pay and the amount received in case of occupational injuries for a period of thirty (30) weeks. Employees with over five (5) years of service will receive such payment for forty (40) weeks, and employees with over ten (10) years service will receive such payment for fifty (50) weeks. Employees are required to notify the Company immediately upon receiving payment from Worker's Compensation and must immediately refund the amount received from Worker's Compensation during the above period.

During the life of this Agreement, if any difference shall arise between the employer and the employee as to whether an individual is physically able to return to their regular duties following an occupational injury, such difference shall be resolved as follows:

The individual shall be examined by a physician appointed for the purpose by the employer and a physician appointed for the purpose by a duly authorized representative of the Union. If the physicians appointed shall disagree concerning whether the individual is physically able to return to their regular duties, the question shall be submitted to a third physician who shall be a specialist as to the impairment or disability directly or indirectly attributable to the occupational injury selected by such two physicians. The medical opinion of the third physician, after examination of the individual and consultation with the other two physicians shall decide the question.

Should the two physicians be unable to agree upon a third physician, then the matter will be referred to the Massachusetts Medical Society for the selection of a third physician who shall be a specialist as above described certified by their respective board who will consider the case and render a decision within two (2) weeks from the date they review the case and their decision will be binding upon the parties.

The fees and expenses of the physicians shall be paid by the employer.

If the decision finally reached as a result of the above or a decision is reached without resorting to the above, to the effect that an employee is unable to perform their regular duties, the company shall assign such employee to a position which, in the opinion of the company, they are capable of performing.

Employees who have recovered from an occupational injury and are medically certified (subject to review and appeal to the third doctor as stated above) by the insurance company's doctor as qualified for work will be guaranteed employment with the Company. However, the employment rights of an employee as provided in the Basic Agreement shall not be enlarged, diminished or otherwise affected by reason of this provision.

3. ILLNESS AND NON-OCCUPATIONAL DISABILITY - SHORT TERM DISABILITY

The purpose of this policy is to provide regular full-time employees greater economic security by providing wage allowances during the periods when such employee may be absent from work by reason of a disability due to personal illness, injury, or serious illness or accident in the immediate family.

To be eligible for such allowances, the employee must:

- A. Be classified as a regular full-time employee.
- B. Permit such reasonable examination or inquiry by a Company representative or agent, and furnish doctor's certificate upon request, and must have reported the cause of the absence before the start of the first scheduled working day of

absence, unless prevented by the nature of the disability or illness, or any other legitimate reason.

- C. If a doctor's statement is required from an employee and is not provided within five (5) working days of the return to work, no Short Term Disability will be paid unless excused by the supervisor.
- D. Where advance notice can be given the employee shall notify the supervisor at least one (1) week in advance.

All regular full-time employees who are on the payroll on the effective date of this agreement shall be eligible to receive twenty-six (26) weeks of short-term disability (STD) benefits for sickness or injury at a rate equal to 100% of their base pay. Additionally, an employee may annually utilize up to three (3) days of the 26 weeks to address immediate family member's serious illness or injury or emergency medical or emergency child-care situations. Generally, these situations will be governed by and defined by the Family Medical Leave Act. Employees may be required to present documentation to support the reason for their absence.

STD benefits will not be allowed for disability incurred while an employee is on a personal leave of absence, furlough, or suspension from work, or illness or injury which may obviously be the result of the employee's own criminal misconduct.

Only absences of four hours or more will be charged against an employee's short-term disability allowance.

When a period of continuous absence extends from one calendar year into the next, the short-term disability allowance will continue until any unused portion of the maximum allowance has been paid. On the expiration of benefits, the time allowable for the current year will not commence until after the employee has returned to work.

Regular employees who have been absent more than twenty-six (26) weeks in one (1) calendar year and return to work during the calendar year will be eligible for up to five (5) additional days of paid absence on the recommendation of their supervisor.

Effective January 1, 2005 – All New Hires (Regular Full-time Employees) will receive STD benefits in accordance with the following schedule:

Years of Service	100%	60%
1 to 9	8-weeks	18 weeks
10 to 19	16 weeks	10 weeks
20 +	26 weeks	

Regular employees with less than one (1) credited year of service may be eligible for up to five (5) days of paid absence on recommendation of their supervisor.

Regular Part-time employees are eligible for a pro-rata benefit consistent with the language contained in Article IV, Section 7, Paragraph (5).

4. LONG TERM DISABILITY

During 2004, the Company shall provide Long Term Disability (LTD) protection covering all regular full-time employees after one (1) year of service which will pay a benefit of sixty-five percent (65%) of straight time weekly earnings, or a combined benefit of seventy percent (70%) when added to the amount of any other income benefits available to the employee for such period beginning six (6) months after the date disability commences under conditions described in the Plan. Monthly benefit payments will not be reduced by future cost of living increases to social security benefits.

Effective January 1, 2005, the Company will provide at no cost to the employee LTD coverage that will pay 50% of an employee's average base pay (this change eliminates the current \$2000 per month cap on the benefit amount). Employees will be provided the option to purchase coverage at the 60% level during their annual enrollment period.

Long Term Disability Benefits will not be paid beyond twelve (12) months, unless the employee has applied for and continues to apply for Social Security Disability Benefits.

Employees are required to notify the Company immediately upon being granted Social Security Disability and must immediately refund to the Company any overpayment of Long Term Disability Benefits.

5. HOSPITALIZATION - SURGICAL - MEDICAL BENEFITS

All regular full-time employees shall have the option once each year to elect one of the following to be effective February 1, 2000. Employees may cover unmarried dependent children under (a) or (b) below to age 19 or age 23 if a full time student. Coverage may continue to age 45 if the child is physically or mentally handicapped. Employees become eligible for coverage for the options below following thirty (30) days of employment with the Company.

In accordance with State Insurance Regulations and the Employee Retirement Income Security Act, 1976 as amended (ERISA) ex-spouses of employees will be permitted to participate in the Company's medical and dental insurance programs in accordance with any duly entered divorce decree from a court of competent jurisdiction in such matters. However, the party to the court action ordered to provide such coverage will be responsible for payment of any additional insurance premium.

The Company reserves the right to change a carrier or carriers for any of the insurance programs provided for in this agreement. However, should the Company change a carrier or carriers, the provisions of the insurance plan(s), being provided by the new carrier will

be, for all intents and purposes, substantially equivalent to the plan provided by the prior carrier.

The Company will offer employees the choice of family medical coverage, single plus one medical coverage or single medical coverage.

- A. Health New England - a regional HMO which will include prescription drug coverage. The monthly rate in 1994 will not exceed \$178.11 for single coverage and \$463.12 for family coverage.
- B. Tufts Health Plan - a regional HMO which will include prescription drug coverage.
- C. Employees will be provide additional choices in regards to health care coverage. The Company will offer its' PPO Medical Coverage Plan and two (2) Standard Indemnity choices.
- D. No Coverage - An employee who is not covered under an individual, family or any other health care plan under either (a) or (b) above, will effective January 1, 2005 receive \$1950 for each full year that the employee has no health insurance coverage with the Company. The employee will need to show proof of coverage under another health insurance program. This payment is made in January of each year subsequent to waiving coverage and is considered taxable income to the employee.
- E. The employee offset rate for both Health New England and Tufts Health Plan will be twenty percent (20%) of the total monthly premium. These offsets are made through payroll deductions and are on a pretax basis.

A new employee assigned to a regular position who is covered by a similar plan at the time of employment shall become eligible for options (A) or (B) or (C) as a transferee and such employee will be so transferred and will pay the full working rate or premium of the plan they have elected. Following thirty days of employment, such employee will have the option of electing (a), (b) or (c) above.

RETIREE HEALTH CARE

- A. Employees who elected as part of the October, 1992 election to maintain retiree health care will be provide coverage consistent with the current health care plans that are applicable to the active employees. The extent of coverage will be modified at age 65 when the retiree is eligible for Medicare.
- B. If the employees who are eligible for the retiree health care provided in (A) above do not retire prior to January 1, 2008 they along with all employees eligible for retiree health care benefits will be provided benefits under the Company's Defined Dollar Contribution Method.
- C. Eligible retirees will receive a subsidy based on the following factors - years of service times a pre-determined dollar value.

	Pre-65	Post 65
Retired Employee	\$170.00	\$60.00
Covered Spouse	\$120.00	\$40.00

This subsidy will be applied towards the premium cost of the Company's PPO Health Care Plan. Details will be provided during annual enrollment periods.

6. DENTAL

Effective January 1, 2005 the Company will offer two Dental Plan options. The Basic Plan will have a \$50 per person deductible and a \$150 maximum family deductible. This plan will have no premium cost sharing. The Optional Dental Plan will have no deductibles but will have a 15% Premium Cost Sharing. During 2004 the Dental Plan coverage will be consistent with the terms of the prior agreement.

The Basic Dental Plan and the Optional Dental Plans will pay 100% of preventive, 80% of basic and 50% of the cost of major services as defined in the plan document. Payment for incurred covered dental expenses will be based on reasonable and customary charges for a specific geographic location, as determined by the dental insurance carrier, subject to a maximum of two thousand dollars (\$2,000.00) for each calendar year applied separately to each insured family member.

The Optional Dental Plan will provide Orthodontic services for employees and their qualified dependents. Orthodontic services are covered on the basis of 50% of covered expenses with a maximum of fifteen hundred dollars (\$1500.00) each covered participant. This provision will be effective January 1, 2005.

7. LIFE INSURANCE

The Company shall make available to regular full-time employees group life insurance, subject to the terms and conditions of the Master Policy now in effect with the insurance carrier.

Each regular full-time employee shall be provided life insurance by the Company in an amount equal to two (2) times their base pay. Additional Basic Life Insurance, Optional Group Life Insurance and Dependent Life Insurance will be made available effective January 1, 2005.

The maximum life insurance available to an employee who retires and receives a pension under the Pension Plan described in Section 10 of this Article is five thousand dollars (\$5000).

8. ACCIDENTAL DEATH AND DISMEMBERMENT

The Company will make available to regular full-time employees accidental death and dismemberment insurance subject to the terms and conditions of the Master Policy with the insurance carrier. The amount of accidental death and dismemberment insurance an employee is eligible for is two (2) times their base pay. Additional Optional AD&D coverage will be made available effective January 1, 2005.

9. PENSION

Pension plans as agreed upon between the Union and the Company shall continue for the life of this Agreement and succeeding agreements, subject to such modification as may be mutually agreed upon by the parties hereto.

All covered employees, in accordance with the plan document, who take normal retirement during the term of this Agreement shall receive a pension benefit as stipulated below.

Effective January 1, 2000, the pension plan formula shall be changed to a final average pay formula. The final average pay pension plan shall be calculated using an average of the highest three (3) years' base pay in the last ten (10) years up to a maximum of Fifty-Thousand Dollars (\$50,000) using a multiplier of one and one quarter percent (1.25%) of such final average pay times the years of service up to a maximum of forty five (45) years. Effective January 1, 2008 the pension base pay cap will be changed to Fifty-five thousand dollars - \$55,000.

An employee is vested after five (5) years of service. For vested employees there is a lump-sum option to cash out of the pension plan available at any time when the employee terminates for any reason.

10. OPTIONAL BENEFITS

Effective January 1, 2005, the Company will provide the following Optional Benefits: Vision Care Plan, Life Insurance Benefits (Optional Coverage that apply to the employee, spouse or dependent) as noted above, AD&D additional coverage, Dental coverage for orthodontic services, and the opportunity to increase coverage under the LTD Plan. The details of these Plans will be provided annually during the Benefit Choice Period.

11. EARLY RETIREMENT

Employees who have attained age 55 and who have completed 10 or more years of Credited Service, as defined in the plan document for the Pension Plan for Operating Employees of Bay State Gas Company, may retire on the first of any month thereafter

An employee will be entitled to receive an unreduced retirement benefit at age 60 if the employee has at least 25 years of service with the Company. In the event an employee decides to retire prior to age 60, the retirement benefit would be calculated as follows:

(a) If the employee has 25 or more years of service with the Company, the retirement benefit would be reduced by 3/10% for each calendar month between the date the employee actually begins to receive the retirement benefit and age 60.

(b) If the employee has less than 25 years of service, the retirement benefit would be reduced by 3/10ths% for each calendar month between the date the employee actually begins to receive the retirement benefit and age 65.

There is a Social security supplement (bridge) for employees who retire between the ages of sixty (60) and sixty-two (62), payable during that period.

12. 401K

For employees eligible to participate in the 401(k) plan in accordance with the plan document, the company will contribute to a 401(k) account in their names an amount equal to: 100% of the first 2.5% of an employee's base pay contribution and 50% of the next 5% of an employee's base pay contribution.

Employees who met the established criteria and elected retiree medical coverage offered in October 1992, are not eligible for the 100% Company match of the employee's 2.5% base pay contribution.

Eligibility to join the plan, investment options and loan provisions of the plan are outlined in the plan document.

13. SUBROGATED RIGHTS

Payments made under the provisions of this Article will be reimbursed to the Company to the extent that any amounts recovered on account of the accident or sickness on a claim against a third party exceed Workmen's Compensation or any payments required by law.

14. DUPLICATION

Amounts required to be paid by the Company under any law providing benefits similar to the benefits provided for in this Article shall reduce to the extent the amounts the Company shall be required to pay under this Article and appropriate adjustments shall be made in the benefits provided for in this Article to the end of eliminating duplication of benefits under this Article and benefits required by law.

15. VACATION BUY

All regular full-time employees may participate in the Vacation-Buy program offered by the Company.

16. MEDICAL RECORDS

In accordance with existing laws, the Union must have a release form signed by the employee before the Company will discuss or release any medical information pertaining to or about any employee.

XIII. RESTRICTIONS - COMMITMENTS

1. BULLETIN BOARDS

The Company will provide reasonable space on designated bulletin boards for use by the Union. Such Bulletin Board space is to be used for posting notices concerning official Union business such as meetings, elections, appointments, notices of Union social and recreational activities, and other such Union matters. Such notices shall be non-controversial in nature and not adversely affect the best interests of the Company. Union notices shall be signed by a local union official.

2. SUMMER EMPLOYEES

Seniority provisions do not apply to employees classified as "summer employees." Such employees are hired for a specific period of time at a specific rate and for a specific job for a period of time not to exceed thirteen (13) weeks between May 1st and September 15th for each calendar year for vacation relief. Summer employees may be discharged for any reason without recourse to the grievance and arbitration procedures of this Agreement and do not, as long as they are classified as summer employees, have seniority rights under this Agreement.

Summer employees who perform all aspects of a bargaining unit position shall be paid the entry rate of pay for that position. Summer employees performing work which does not encompass the full duties of a bargaining unit position shall be paid the summer employment rate.

3. CROSS BARGAINING UNIT VACANCIES

Job vacancy postings as may be required by the operational unit collective bargaining agreement, will be posted simultaneously in the clerical bargaining unit. The posting of such vacancies shall not be construed as evidence of a merger of the separate bargaining units into a single, combined unit and clerical bargaining unit employees shall not be eligible to bid on such vacancies.

However, should there be no bidders, or successful bidders in the operational unit for vacancies so posted, clerical bargaining unit employees, who apply for such openings, will be given first and due consideration.

4. BARGAINING UNIT WORK

Supervisors will not perform work customarily performed by the bargaining unit when the performance of such work would result in significant lost work opportunity for qualified bargaining unit members.

5. DRUG TESTING & DOT PHYSICALS

The Company will institute a split sample element to its existing DOT drug testing program.

6. SUCCESSORSHIP

This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and the words "Company" and "Union" respectively shall be construed to include their respective successors and assigns.

7. DRESS CODE

The Company's dress code policy will be in effect during normal business hours or when the Company is open to the general public. When the Company is not open to the general public, the business casual dress code policy will be extended to include the wearing of "jeans" provided such jeans are in good repair and free from rips, tears, holes, etc.

8. TEMPORARY TRANSFERS

Whenever practical qualified volunteers by seniority will be utilized for temporary transfers, however, if there are no qualified volunteers, the Company will assign the least senior qualified employees.

Involuntary transfers from one job classification to another shall not exceed sixty (60) consecutive work days or ninety (90) work days in a calendar year. However, excluded from the sixty (60) and ninety (90) day totals are transfers:

1. From Billing to Service; or
2. Transfers to avoid a layoff; or

3. Transfers to fill in for an employee who is absent.

For purposes of this provision any transfer of two (2) or more hours duration will constitute a full working day. Employees will be individually responsible for tracking their temporary transfer time and for providing such documentation to the Company. The Company will supply employees with tracking calendars at their request.

XIV. UNION – MANAGEMENT COMMITTEES

1. SAFETY COMMITTEE

There shall be a committee of four (4) Union members selected by the Union who will meet with the General Safety Committee at such time and place as meetings are scheduled to discuss matters pertaining to safety. Of the members designated by the Union, two shall be from the Call Center, one shall be from the Work Force Planning Department and one from any of the several remaining departments. The General Safety Committee will be co-chaired by a member of the union committee and a member of management.

2. GRIEVANCE & NEGOTIATION COMMITTEE

The Union shall elect a five (5) member Union Committee (as stated in the United Steelworkers Local Union election manual). The Company shall deal with the Union Committee in the matter of grievances as provided for in the grievance procedure.

XV. COMPLAINTS AND GRIEVANCES

1. GRIEVANCE PROCEDURES

a. The Company Committee and the Grievance Committee may meet at the request of either party, at a time mutually agreed upon, as required to discuss disputes arising out of this Agreement. The notice of such meetings will contain necessary information on the subject matter of the meeting.

b. During the term of this Agreement, should any dispute arise between the Company and the Union as to the true interpretation and application of this Agreement, there shall be no suspension of work, but the same shall be treated as a grievance and every reasonable effort shall be made to settle such grievance in the following manner, except in the case of a general grievance raised by the Union, in which case the grievance shall be a written one originated by the aggrieved party at Step 3 below:

c. *A grievance shall be filed within sixty (60) calendar days of the incident causing it or (60) calendar days when the incident should have been reasonably been known by a member of the Grievance Committee.

The grievance steps shall be as follows:

1. The aggrieved employee(s) and their Steward shall discuss the grievance with the immediate supervisor and attempt to settle the grievance. If the Shop Steward is not available, the employee(s) may be represented by a member of the Grievance Committee. If a satisfactory settlement is not reached within seven (7) calendar days then
2. Within seven (7) calendar days of the time that the grievance was answered at Step 1. The Union Committee shall reduce the grievance to writing on a form mutually agreed to by the Company and the Union and forward the written grievance to the Department Manager or his designate. The Department Manager or their designate shall discuss the grievance with three members of the Grievance Committee (*Union President or his designate, Recording Secretary and appropriate Shop Steward) and shall reply in writing within seven (7) calendar days and if a satisfactory settlement is not reached, then
3. Within seven (7) calendar days of the receipt of the written reply, the grievance shall be referred for settlement to the Vice President of the Company, Union committee and a representative of the International Union or their designated representatives. The Company and the Union shall have fourteen (14) calendar days to resolve the grievance at this step.. If the grievance is not resolved at this step in a manner satisfactory to both parties, then the Union has the right and authority to submit the grievance or dispute to arbitration in the manner provided under this Article. The Union must notify the American Arbitration Association or the Federal Mediation and Conciliation Service, or the Labor Relations Connection to schedule the arbitration within thirty (30) calendar days of the expiration of the aforementioned fourteen (14) day period. If the time limits in the grievance procedure are not observed, a grievance shall be considered waived unless an extension of time is mutually agreed to in writing.

2. ARBITRATION

If a grievance involving the interpretation or application of this Agreement is not satisfactorily resolved in the grievance procedure, the Union may request the American Arbitration Association or the Federal Mediation and Conciliation Service, or the Labor Relations Connection to provide a panel of arbitrators from which the parties will select an arbitrator to hear the grievance. The arbitrator so selected shall have no power to add to, subtract from or otherwise modify the terms of this agreement. The decision of the arbitrator shall be final and binding on both parties and shall have the same force and effect as a judgement of law. His or her fee and expense shall be shared equally by the parties.

3. UNION REPRESENTATION

An employee, at their request, may have a Union Representative present at an interview with the Company, where the likely outcome might be discipline.

An employee having a grievance, shall be given a reasonable time to briefly discuss the grievance with the appropriate union representative after first obtaining such permission from their supervisor.

XVI. AGREEMENT

1. TERM OF AGREEMENT

This Agreement shall be effective from May 15, 2004 and shall continue in full force and effect through May 15, 2010 . Either party may terminate the Agreement by giving notice in writing to the other party at least sixty (60) calendar days prior to the expiration date of the Agreement. Whenever notice to terminate this Agreement as herein provided is given, the parties agree that at least thirty (30) calendar days prior to the expiration date, joint conferences will be held for the purpose of negotiating another agreement.

2. ASSIGNMENT

This Agreement shall be binding upon the parties hereto, their successors and assignees.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

For the United Steelworkers of America, AFL-CIO-CLC

Leo W. Gerard, International President

James D. English, International Secretary-Treasurer

Andrew V. Palm, VP, Administration

Leon Lynch, VP, Human Affairs

Louis J. Thomas, Director – District 14

Joseph P. Carlson, Staff Representative

Local Union Committee:

Donna Gendron

Charlotte Pahl

Cindy Clement

Mary Ann Teixeira

For Bay State Gas

Thomas H. Robertson, Chief Spokesperson

Edward Santry, VP, Human Resources

Patricia Teague, Call Center Manager

Pamela Bellino, Operations Center Manager

Jennifer Guseman, Human Resources Consultant

Joan Scheletsky, Human Resources Consultant

XVII. LETTERS OF UNDERSTANDING

1. ISSUANCE AND REMOVAL OF NON-ATTENDANCE DISCIPLINARY WARNING NOTICES

Verbal warnings and written warnings will become inactive after one (1) year from the date of the violation provided there is no intervening discipline. Suspensions will become inactive after two (2) years from the date of violation provided there is no intervening discipline. Intervening discipline within the one (1) or two (2) year periods keeps all prior discipline active until the expiration of the most recently issued disciplinary notice.

2. INCENTIVE PLAN

MEMORANDUM OF AGREEMENT

The parties to the collective bargaining agreement, Bay State Gas Company, hereinafter the Company, and the United Steel Workers of America, AFL-CIO-CLC Clerical Technical Unit, Local No. 12026, hereinafter the Union, collectively the parties agree as follows:

1. The best efforts of Bay State Gas Company's employees are necessary in order to provide safe, efficient, cost effective service and products to Bay State Gas Company customers.
2. In order to maintain and improve the high level of performance of Bay State Gas Company's employees the parties agree to be jointly committed to the implementation of a performance incentive plan such plan in 2000, such plan to be based on productivity and quality measures.
3. Local Union 12026 Clerical and Technical unit, may elect participation in the Company's annual Incentive Compensation Plan that is offered by NiSource.

3. ATTENDANCE IMPROVEMENT PROGRAM

Attendance

The efficient operation of the Company requires that employees consistently maintain satisfactory attendance and punctuality.

Employees are required to notify their supervisor as soon as they know they will be late, absent or have to leave work early. Notice does not excuse the absence. It does, however, permit the supervisor to schedule work around the absence and will be considered a less serious infraction than absence without notice.

Attendance records are evaluated on three (3) criteria. They are days absent from work, leaving work early and lateness.

All days absent from work, including excused and unexcused absences, are used in determining total days absent. . However, excluded from this total are days on approved FMLA leave of absence, approved FMLA intermittent leave of absence, jury duty, union business, bereavement, vacation and holidays.

Leaving work early occurs whenever an employee leaves work at any time before the end of his or her shift.

Lateness is whenever an employee reports for work at any time after the employee's scheduled starting time, be it regular or overtime hours. In other words, there is no grace period for lateness.

In determining whether an employee's absenteeism is "excessive," all instances of the three items listed above (days absent from work, leaving work early and lateness) are added together. If an employee has four (4) or more occurrences during a four (4) month period, the employee's absenteeism will be considered excessive. However, an employee, once a year, will have an occurrence of multiple, medically approved, consecutive sick days considered as one incident in regards to discipline only.

The intent of this program is to correct behavior and to have employees recognize that it is their responsibility to have regular attendance. However, if the employee fails to improve and continues to absent herself/himself from work the following progressive disciplinary steps will be followed. Under this program, when an employee's record indicates excessive absenteeism in accordance with the guidelines above, the goal of the Company is to restore that employee's attendance to a satisfactory level. The company will implement a plan of progressive discipline, as outlined below, to ensure the successful attainment of this goal.

Consultation

The Company recognizes that typically, excessive absenteeism is a symptom of a personal problem the employee is experiencing which is affecting that employee's attendance. The supervisor will consult with the employee and help will be offered. The Employee Assistance Program (EAP) is available free of charge to assist employees with personal, marital, financial, substance abuse or other problems which affect the employees attendance at work.

Verbal Warning

If an employee's attendance record continues to be unsatisfactory and their record indicates that the employee has four (4) or more occurrences anytime during the next four (4) month period of time following the consultation, the employee will be verbally

warned that unless that employee's attendance improves a formal written discipline warning will follow. Again the employee will be made aware of the Employee Assistance Program and urged to take advantage of it if necessary.

Written Warning

If, an employee's attendance record continues to be unsatisfactory and their record indicates that the employees has four (4) or more occurrences anytime during the next four (4) month period of time he or she will be given a written warning. The employee will be warned that further disciplinary action will follow unless attendance shows immediate, substantial and sustained improvement. The employee will once again be made aware of the Employee Assistance Program and urged to take advantage of it if necessary.

Suspension (1) Day

If, the employee's attendance record continues to be unsatisfactory and their record indicates that they have exceeded the four (4) or more occurrences anytime during the next four (4) month period of time, he or she will be given a one (1) day unpaid suspension. The employee will be notified that the next step in the disciplinary process will be a three (3) day suspension without pay and the employee will be encouraged to improve their attendance. The employee will once again be made aware of the Employee Assistance Program and urged to take advantage of it if necessary.

Suspension (3) Day

If, the employee's attendance record continues to be unsatisfactory and their record indicates that they have exceeded the four (4) or more occurrences anytime during the next four (4) month period of time, he or she will be given a three (3) day unpaid suspension. The employee will be warned that discharge is the next step in the progressive disciplinary process. The employee will once again be made aware of the Employee Assistance Program and urged to take advantage of it if necessary.

Termination of Employment

After the three (3) day unpaid disciplinary suspension, and their record indicates that they have two (2) occurrences anytime during the next four (4) month of time he or she will be discharged for cause.

Job Abandonment

Any employee who fails to report to work and fails to provide notice of such absence for a period of three (3) consecutive work days shall be considered to have voluntarily abandoned his or her position. In addition, if an employee fails to return to work after the expiration of a leave-of-absence, that employee will be considered to have voluntarily abandoned his or her position.

Medical Certification

Any employee who is currently in the Attendance Improvement Program and has a current written warning or is in one of the disciplinary suspension steps may be required to furnish a doctor's certificate to verify any future illness or injuries. Upon return to work the employee will provide to their supervisor a copy of the doctor's certificate. Failure to provide this information within five (5) days of returning to work will result in the withholding of pay for the time off.

4. ISSUANCE AND REMOVAL OF ATTENDANCE WARNING NOTICES

Verbal warnings, written warnings, and suspensions will become inactive after one (1) year from the date of the violation provided there is no intervening discipline. Intervening discipline within the one (1) year period keeps all prior discipline active.

5. MEDICAL AND PERSONAL LEAVE OF ABSENCE POLICY

1. PURPOSE:

The purpose of this policy is to specify medical and personal leave-of-absence provisions which employees may be entitled to based on their length of continuous service with the Company. Medical leaves are available in accordance with this policy for the employee's own serious health condition which renders the employee unable to perform the essential functions of his or her job.

2. SCOPE:

This policy extends to Local 12026

3. POLICY & PRACTICE:

Employees who have completed ninety (90) days of employment but who have less than two (2) years of service may be granted a medical leave-of-absence with additional extensions, if necessary, which will be limited to one (1) month of medical leave time for each month of service but not to exceed six (6) months, whichever is the lesser,

Employees with two (2) or more years of service but less than five (5) years of service, may be granted a medical leave with additional extensions, if necessary, of up to nine (9) total months.

Employees with five (5) or more years of service may be granted a medical leave with additional extensions, if necessary, of up to twelve (12) total months.

Employees who are absent from work because of personal or work related injury or illness for more than five (5) consecutive work days must apply for a medical leave-of-

absence for all days out of work after the fifth consecutive work day of absence.

Employees who have used medical leave time in accordance with this policy, will restore such time used by receiving one (1) month of restoration credit for each month of work following the end of that employee's medical leave-of-absence, up to the maximum credit allowed based on the employees service with the company as described above.

Additionally, medical leaves which fall under the jurisdiction of this policy may also qualify under the Federal Family and Medical Leave Act. When such is the case, time used under this policy will run concurrently with any FMLA leave time which is available. A separate policy exists for leaves which may qualify under FMLA.

During medical leaves under the Bay State Gas medical leave policy, employees are responsible for contributions to all benefit plans as if actively at work. If an employee fails to return to work for reasons other than for a substantiated continued health condition or circumstances beyond their control, the employee may be required to repay Bay State Gas Company for all health premiums paid on the employees behalf during the leave.

Employees who qualify for medical leave under this policy, upon their return to work will be restored to the same or an equivalent position after the leave, except in certain cases where the person has been designated as a "key employee" or where the employment would not have continued had the employee not been on leave. Employees returning from leave may be required to supply a "fitness for duty" release from their attending physician if the leave was for their own health condition.

Employees on medical leave of absence are considered unable to perform essential job functions, and as such are not allowed to perform work outside of the Bay State Gas Company workplace during an approved leave.

The Company may require employees requesting medical leave or returning to work from medical leave to be examined by a physician designated by the Company. Any such examinations will be paid for by the Company.

4. PROCEDURE:

Employees applying for a medical leave-of-absence must be under the direct care of a physician and must submit medical certification directly to the Bay State Gas Company Human Resources Department at their location. Employees may be required to undergo a periodic medical examination by a physician designated by Bay State Gas Company in order to ascertain the employee's condition.

For medical leaves, the Company will require medical certification for an employees own serious health condition prior to the start of the leave unless the condition requiring medical leave is unforeseeable in which case such medical certification must be provided within fifteen (15) days of the request for leave, or as soon as practicable. Upon proper

submission of medical documentation in support of a medical leave request, employees will be placed on medical leave in accordance with the attending physicians instructions. Employees will be advised in writing (see appendix A) of their status including the beginning and ending dates of their medical leave and the procedures for returning to work or extending their medical leave.

Medical leaves of absence which qualify under this policy may be covered by certain insurance programs such as short-term-disability (STD), long-term-disability (LTD), workers' compensation or disability pension. When it is not covered by one of these insurance programs, leaves will be unpaid. However, unused vacation time must be used prior to going on leave without pay.

PERSONAL LEAVE-OF-ABSENCE

A personal leave-of-absence without pay for a period normally not to exceed sixty (60) days may be granted by the Company for urgent personal reasons to employees with at least six (6) months of continuous employment. Requests for personal leave-of-absence must be made in writing to the employee's supervisor and the unit's senior human resources officer. Each request will be decided on its own merit at the sole discretion of the Company.

LENGTH OF SERVICE

Length of continuous service for the purpose of this policy shall be computed from the original date of hire.

Length of continuous service will be broken by the following:

- Absence from work for more than three (3) consecutive days without notice to the Company;
- Voluntary termination or resignation by the employee;
- Discharge for cause;
- Failure to return to work upon the expiration of an approved leave-of-absence or the extension of an approved leave-of-absence.

Letter of Understanding – Flexible Work Schedules

The Company and the Union agree to establish a flexible work schedule consisting of four (4) days of ten (10) hours per day. Employees who volunteer for this schedule will be eligible for time and one half for all hours worked in excess of ten (10) hours daily and forty (40) hours per workweek.

Administrative Guidelines for Flexible Work Schedules:

Employees who are scheduled for the flexible workweek will receive holiday, vacation,

sick pay, bereavement, and jury duty in accordance with paragraph (1).

Holiday allowance paid on non scheduled work days will not be used to trigger the payment of overtime beyond the forty (4) hour workweek.

Double time will be paid beginning on the seventh consecutive day of work in accordance with the labor agreement.

Shift allowances are governed by Article VII, Paragraph 4.

Employees working the flexible work schedule who are required to work two (2) hours or more beyond their normal work schedule will be eligible for a meal allowance.

When an employee is absent who is on the Flexible Work Schedule, the Company, if necessary, will seek volunteers to cover the employee's flexible shift.

Schedule may be changed by the Company from time to time in accordance with operational requirements, in which case such schedule changes shall be made with not less than twenty-four (24)-hours notice.

Letter of Understanding – Health Care Cost Sharing Schedule

	2005	2006	2007	2008	2009	2010
Office Visits	\$5.00	\$10.00	\$10.00	\$10.00	\$15.00	\$20.00
Inpatient Hospital Co-payment	\$0	\$100.00	\$100.00	\$150.00	\$150.00	\$200.00
Emergency Room Co-payment	\$50.00	\$50.00	\$75.00	\$75.00	\$75.00	\$100.00

Health Care Schedule of Employee Cost Sharing under the two (2) HMO plans provided in Article XII, Section 5, a. & b.

APPENDIX A

WAGE RATE PROGRESSION May 15, 2004 JANUARY 9, 2000

Grade	Title	Entry Rate	After 6 months	After 12 months	After 18 months	After 24 months (MAX)
1	Receptionist	\$10.86	\$11.46	\$12.08	\$12.68	\$13.63
2	Call Center Clerk Mail Clerk Metscan Scheduler Garage Clerk	\$11.56.	\$12.19	\$12.83	\$13.45	\$14.44
3	Engineering Clerk	\$12.35	\$12.90	\$13.48	\$14.02	\$14.94
4	Workforce Planning Rep.	\$13.74	\$14.12	\$14.48	\$14.86	\$17.40
5	Admin. Assistant Distribution Nominations/Scheduling Admin. Revenue Recovery Rep.	\$14.02	\$14.81	\$15.59	\$16.39	\$18.23
6 6A	Universal Customer Service Rep See Appendix G	\$14.92	\$15.76	\$16.59	\$17.42	\$19.07
7	Draftsperson Facilities Coordinator Service/Metering Administrator	\$15.54	\$16.40	\$17.25	\$18.10	\$19.42
8	Sr. Universal Customer Service Rep.	\$17.47	\$18.31	\$19.14	\$19.96	\$21.68

6A Universal Customer Service Rep. Hired After 5-15-2004 See Appendix G

APPENDIX B

WAGE RATE PROGRESSION MAY 15, 2005

Grade	Title	Entry Rate	After 6 months	After 12 months	After 18 months	After 24 months (MAX)
1	Receptionist	\$11.02	\$11.63	\$12.26	\$12.87	\$13.83
2	Call Center Clerk Mail Clerk Metscan Scheduler Garage Clerk	\$11.73	\$12.37	\$13.02	\$13.65	\$14.66
3	Engineering Clerk	\$12.54	\$13.09	\$13.68	\$14.23	\$15.16
4	Workforce Planning Rep.	\$13.95	\$14.33	\$14.70	\$15.08	\$17.66
5	Admin. Assistant Distribution Nominations/Scheduling Admin. Revenue Recovery Rep.	\$14.23	\$15.03	\$15.82	\$16.64	\$18.50
6 6A	Universal Customer Service Rep See Appendix G	\$15.14	\$16.00	\$16.84	\$17.68	\$19.36
7	Draftsperson Facilities Coordinator Service/Metering Administrator	\$15.77	\$16.65	\$17.51	\$18.37	\$19.71
8	Sr. Universal Customer Service Rep.	\$17.73	\$18.58	\$19.43	\$20.26	\$22.01

6A Universal Customer Service Rep. Hired After 5-15-2004 See Appendix G

APPENDIX C

WAGE RATE PROGRESSION MAY 15, 2006

Grade	Title	Entry Rate	After 6 months	After 12 months	After 18 months	After 24 months (MAX)
1	Receptionist	\$11.24	\$11.86	\$12.51	\$13.13	\$14.11
2	Call Center Clerk Mail Clerk Metscan Scheduler Garage Clerk	\$11.97	\$12.62	\$13.28	\$13.92	\$14.95
3	Engineering Clerk	\$12.79	\$13.36	\$13.96	\$14.51	\$15.47
4	Workforce Planning Rep.	\$14.23	\$14.62	\$14.99	\$15.38	\$18.01
5	Admin. Assistant Distribution Nominations/Scheduling Admin. Revenue Recovery Rep.	\$14.51	\$15.33	\$16.14	\$16.97	\$18.87
6 6A	Universal Customer Service Rep See Appendix G	\$15.45	\$16.32	\$17.18	\$18.03	\$19.74
7	Draftsperson Facilities Coordinator Service/Metering Administrator	\$16.09	\$16.98	\$17.86	\$18.74	\$20.11
8	Sr. Universal Customer Service Rep.	\$18.09	\$18.96	\$19.82	\$20.66	\$22.45

6A Universal Customer Service Rep. Hired After 5-15-2004 See Appendix G

APPENDIX D

WAGE RATE PROGRESSION MAY 15, 2007

Grade	Title	Entry Rate	After 6 months	After 12 months	After 18 months	After 24 months (MAX)
1	Receptionist	\$11.47	\$12.10	\$12.76	\$13.39	\$14.39
2	Call Center Clerk Mail Clerk Metscan Scheduler Garage Clerk	\$12.21	\$12.87	\$13.55	\$14.20	\$15.25
3	Engineering Clerk	\$13.04	\$13.62	\$14.23	\$14.81	\$15.78
4	Workforce Planning Rep.	\$14.51	\$14.91	\$15.29	\$15.69	\$18.37
5	Admin. Assistant Distribution Nominations/Scheduling Admin. Revenue Recovery Rep.	\$14.81	\$15.64	\$16.46	\$17.31	\$19.25
6 6A	Universal Customer Service Rep See Appendix G	\$15.76	\$16.64	\$17.52	\$18.40	\$20.14
7	Draftsperson Facilities Coordinator Service/Metering Administrator	\$16.41	\$17.32	\$18.22	\$19.11	\$20.51
8	Sr. Universal Customer Service Rep.	\$18.45	\$19.34	\$20.21	\$21.08	\$22.89

6A Universal Customer Service Rep. Hired After 5-15-2004 See Appendix G

APPENDIX E

WAGE RATE PROGRESSION EFFECTIVE MAY 15, 2008

Grade	Title	Entry Rate	After 6 months	After 12 months	After 18 months	After 24 months (MAX)
1	Receptionist	\$11.70	\$12.34	\$13.01	\$13.66	\$14.68
2	Call Center Clerk Mail Clerk Metscan Scheduler Garage Clerk	\$12.45	\$13.13	\$13.82	\$14.49	\$15.55
3	Engineering Clerk	\$13.30	\$13.89	\$14.52	\$15.10	\$16.09
4	Workforce Planning Rep.	\$14.80	\$15.21	\$15.60	\$16.01	\$18.74
5	Admin. Assistant Distribution Nominations/Scheduling Admin. Revenue Recovery Rep.	\$15.10	\$15.95	\$16.79	\$17.65	\$19.64
6 6A	Universal Customer Service Rep See Appendix G	\$16.07	\$16.98	\$17.87	\$18.76	\$20.54
7	Draftsperson Facilities Coordinator Service/Metering Administrator	\$16.74	\$17.66	\$18.58	\$19.50	\$20.92
8	Sr. Universal Customer Service Rep.	\$18.82	\$19.72	\$20.62	\$21.50	\$23.35

6A Universal Customer Service Rep. Hired After 5-15-2004 See Appendix G

APPENDIX F

WAGE RATE PROGRESSION EFFECTIVE MAY 15, 2009

Grade	Title	Entry Rate	After 6 months	After 12 months	After 18 months	After 24 months (MAX)
1	Receptionist	\$11.93	\$12.59	\$13.27	\$13.93	\$14.97
2	Call Center Clerk Mail Clerk Metscan Scheduler Garage Clerk	\$12.70	\$13.39	\$14.10	\$14.78	\$15.86
3	Engineering Clerk	\$13.57	\$14.17	\$14.81	\$15.40	\$16.41
4	Workforce Planning Rep.	\$15.10	\$15.51	\$15.91	\$16.33	\$19.12
5	Admin. Assistant Distribution Nominations/Scheduling Admin. Revenue Recovery Rep.	\$15.40	\$16.27	\$17.13	\$18.01	\$20.03
6 6A	Universal Customer Service Rep See Appendix G	\$16.39	\$17.32	\$18.23	\$19.14	\$20.95
7	Draftsperson Facilities Coordinator Service/Metering Administrator	\$17.07	\$18.02	\$18.95	\$19.89	\$21.34
8	Sr. Universal Customer Service Rep.	\$19.19	\$20.12	\$21.03	\$21.93	\$23.82

6A Universal Customer Service Rep. Hired After 5-15-2004 See Appendix G

**Appendix G – Wage Scale for Universal Customer Service Representatives Hired on
and after May 15, 2004**

	Entry Level	6 Months	12 Months	18 Months	24 Months	30 Months	36 Months	42 Months	48 Months
2004	12.50	13.25	14.00	14.75	15.50	16.25	17.00	17.75	19.07
2005	12.69	13.45	14.21	14.97	15.73	16.49	17.26	18.02	19.36
2006	12.94	13.72	14.49	15.27	16.05	16.82	17.60	18.38	19.74
2007	13.20	13.99	14.78	15.58	16.37	17.16	17.95	18.74	20.14
2008	13.46	14.27	15.08	15.89	16.70	17.50	18.31	19.12	20.54
2009	13.73	14.56	15.38	16.21	17.03	17.85	18.68	19.50	20.95

AGREEMENT

By and Between

BAY STATE GAS COMPANY

SPRINGFIELD DIVISION

And the

UNITED STEEL WORKERS OF AMERICA,
AFL-CIO-CLC

On Behalf Of

LOCAL UNION NO. 12026

May 15, 2004 - May 15, 2013

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I. INTRODUCTION

1. AGREEMENT

AGREEMENT made and entered into this 6th day of March, 2004 by and between BAY STATE GAS COMPANY, SPRINGFIELD DIVISION (hereinafter called the "Company") and UNITED STEELWORKERS OF AMERICA, AFL-CIO-CLC (hereinafter called the "Union") in behalf of LOCAL UNION NO. 12026.

2. PURPOSE OF AGREEMENT

WHEREAS, the parties hereto have reached an Agreement as a result of collective bargaining for the purpose of facilitating the peaceful adjustment of differences, if any, that may arise from time to time, and to promote harmony and efficiency, the parties hereto contract and agree as follows:

II. RECOGNITION

1. UNION RECOGNITION AND BARGAINING UNIT

The Company agrees and does hereby recognize the Union as the exclusive representative of all employees located at Springfield to whom this Agreement applies for the purpose of bargaining in respect to rates of pay, wages, hours of employment or other conditions of employment.

The employees to whom this Agreement applies are only those employees located at Springfield, Massachusetts, in the classifications and departments of the Company set forth in Appendix D. This Agreement does not apply to all office employees, guards, professional employees and supervisors as defined in the National Labor Relations Act as amended.

III. RESPONSIBILITY

1. RESPONSIBILITY OF MANAGEMENT

The Union agrees, for itself and its members, not to hinder or interfere with the management of the Company in its several departments, including the assignment of work, the direction of working forces, the right to hire, suspend or discharge for proper cause, to transfer employees to work for which they are better suited and to furlough employees because of lack of work, but in the exercise of these responsibilities in management, the Company agrees that it will not discriminate against any member of the Union. This article shall in no way abrogate any other clause in this Agreement.

The Company retains the right to employ, transfer, promote or discharge employees, regardless of membership or non-membership in the Union.

2. RESPONSIBILITY OF THE LOCAL UNION

In Consideration of the commitments assumed by the company in this Agreement the Local Union agrees that its officers and members will cooperate directly and indirectly with the efforts of the employer to maintain high efficiency, productivity, and competence in the work force and to train employees to improve their skills and abilities.

The Local Union agrees that it will encourage its members to suggest improvements in practices and procedures and to welcome changes introduced to: improve service and performance; reduce costs, waste, damage and accidents; increase individual productivity. The Local Union agrees to support the efforts of management to provide economical and quality services to consumers and to encourage work assignments which fully utilize the skills and time of individual members.

3. RESPONSIBILITY OF EMPLOYEES

a. Employees shall individually and collectively work so as to maximize operating efficiency and individual and group productivity. They shall make every effort to protect the property of the Company and represent the best interest of the Company in their relationships with consumers and the public.

b. Employees shall not engage in work for pay on their own or for another employer when there may be a conflict of interest between the services provided by the company and the activities of the employee.

4. NO STRIKE - NO LOCKOUT

While this agreement is in force there shall be no lockout of the employees by the Company and neither the Union nor its members will cause or participate, directly or indirectly, in any strike or stoppage of work.

5. CORRECTIVE PROCEDURE

In further consideration of the mutual commitments contained herein, the parties hereto expressly agree that neither party shall bring, or cause to be brought, any court or other legal or administrative action against the other until the dispute, claim, grievance or complaint shall have been brought to the attention of the party against whom it shall be made and the said party, after actual notice of the same, shall within a reasonable time, fail to take steps to correct the cause of circumstances giving rise to such dispute, claim, grievance or complaint.

6. COMPLIANCE WITH LAWS AND REGULATIONS

In the event that any provision of this Agreement shall at any time be declared invalid by any court of competent jurisdiction, or by any duly constituted governmental agency of the United States or the Commonwealth of Massachusetts, such decision shall

not invalidate the entire Agreement, it being the express intent of the parties hereto that all other provisions not so declared invalid shall remain in full force and effect.

7. NON-DISCRIMINATION

a. The parties to this Collective Bargaining Agreement agree that it shall continue to be their policy to prohibit discrimination of persons because of race, creed, age, sex, sexual orientation, color, national origin, handicapped, Viet Nam Era or disabled veteran status in hiring, lay-off, promotion; and all other terms and conditions of employment.

b. All reference as to the masculine gender in this Agreement shall be also construed to refer to the feminine gender where applicable.

8. SIDE AGREEMENTS AND EFFECT OF AGREEMENT

During the term of this agreement the Union and the Company will review all jointly signed letters or memoranda of agreement or recognized past practices and present such letters, memoranda or practices which it wishes to have continue.

Where the parties agree to continue such memoranda or letters of agreements or past practices they will continue.

Where the parties disagree on such memoranda or letters of agreement or past practices, they will be a subject of bargaining in the succeeding contract. However they will continue in force during this agreement.

Written grievance settlements shall continue in full force and effect.

IV. UNION MEMBERSHIP

1. UNION SHOP

It is agreed that all employees who are members of the Union as of the effective or execution date of this Agreement and all employees who thereafter have become or may hereafter become members of the Union, shall remain members of the Union in good standing for the duration of this Agreement as a condition of continued employment by the Company; and further that all new employees covered by this Agreement hired after the date of this Agreement shall after thirty (30) days of employment, become members of the Union and remain members in good standing for the duration of this Agreement as a condition of continued employment. Good standing shall mean only the payment of the initiation fee and periodic dues.

2. REGULAR EMPLOYEES

The term "regular employee" means those employees holding positions authorized to be filled by management who are scheduled to work at least 1,000 hours in a calendar year.

3. TEMPORARY EMPLOYEES

The term "Temporary Employee" means those hired to fill temporary jobs such as seasonal construction in the Distribution Department. Temporary employees will not exceed twenty five (25) in number. Any such employee who shall have worked nine (9) consecutive months for the Company may thereby become a regular employee with seniority as of the date of initial employment, if regular positions are available. Temporary employees are not covered by the provisions of this agreement. The Company, within its discretion, may sever the employment of temporary employees.

The Company agrees that when temporary employees are used in the Distribution Department, no employees in the bargaining unit will be laid off. If an employee is on layoff from the bargaining unit and still has recall rights, he/she will be recalled in accordance with the contractual recall provisions prior to using temporary employees.

The normal work day shall consist of eight (8) hours and the normal work week shall consist of five (5) days. The normal work week will run Monday thru Friday except weeks in which a holiday falls. Temporary employees will be allowed to work up to two (2) hours of incidental overtime per job when the job necessitates it at the end of the shift. Scheduled overtime will be given to temporary employees only when all regular Distribution Department workers have been offered the scheduled overtime work.

Neither the Company nor the Union shall use any type of past practice, understanding, or other agreement, in existence prior to the effective date of this agreement, outside the Collective Bargaining agreement, to oppose the operation of this Section.

4. PROBATIONARY EMPLOYEES

The term "probationary employee" means those hired on a six (6) months trial to fill regular authorized positions which are open or expected to be open. It is understood that if such probationary employees are found satisfactory and if the positions are still open, they will become regular employees.

The Company may request to extend the six (6) month period for probationary employees for up to an additional six (6) months provided written notice is given to the Union ten (10) days before the extension and if the Union is not satisfied with the reasons for the extension, it may register its objection and the extension will not be granted.

Probationary employees are covered by the provisions of this Agreement and during the probationary period shall be eligible for all benefits except those disability benefits defined in Article XII, Section 3 and Section 4 of this Agreement, but the retention of a probationary employee is at the discretion of the Company and termination of employment during the probationary period or extension thereof shall not be subject to review through the grievance and arbitration procedure.

5. CHECKOFF

The Company shall deduct from wages weekly and to remit monthly to UNITED STEEL WORKERS OF AMERICA, 5 Gateway Center, Pittsburgh, Pennsylvania the membership dues and initiation fees uniformly required of each employee on whose account such deductions are to be made, pursuant to a written assignment on a form approved by the Company. Membership dues shall be as designated by the International Secretary/Treasurer and certified by the UNION to the COMPANY. Such form shall contain such provisions concerning irrevocability, duration, revocation and automatic renewal as the UNION may request but only to the extent that such provisions comply with the applicable requirements of Section 302 (C) of the Labor Management Relations Act, 1947, as now or hereafter amended, as said requirements may from time to time be interpreted by appropriate governmental authorities.

The Union shall indemnify and save the Company harmless against any and all claims, including legal fees, which may arise out of or come into being by reason of any action taken or not taken by the Company for the purpose of complying with this dues deduction provision.

The individual written authorization by the employee shall be delivered to the Company on cards similar to the card attached, marked Appendix E. and made part hereof.

V. HOURS OF WORK

1. WORKDAY, WORKWEEK

The regularly scheduled working day will consist of not more than eight (8) hours and the regularly scheduled working week will consist of not more than forty (40) hours.

2. WORK SCHEDULE

A workday schedule will be posted each Friday and so arranged that the day or days off of each employee will be alternated from week to week so that each employee, insofar as practicable, can receive consecutive days off. Employees who have lost time due to weather or other conditions shall be given the opportunity, whenever possible, to make up such lost time.

3. WORK SCHEDULE CHANGES - LUNCH PERIOD

A regular place and stated hour for reporting for work will be given each employee. Due notice of not less than twenty-four (24) hours shall be given by the supervisor of any change in place or starting time, except in cases of emergency. The hours of work shall be continuous, except those operations where time is usually taken off for lunch. Such a lunch period shall not be less than nor more than thirty (30) minutes. The time for beginning the lunch period will be within five (5) hours of the starting time, preferably between 12:00 and 1:00 p.m. and any employee required to work during his regular lunch period will receive time-and-one-half for work performed during such lunch period.

Employees assigned to work where eight (8) hours of continuous operation is necessary shall be allowed a meal period of twenty (20) minutes with pay. Such meal time to be taken so as not to interfere with continuous operations of service.

4. WASH-UP

Where practicable, the Company will allow up to ten (10) minutes wash-up time at the end of the workday.

5. ATTENDANCE - NOTICE OF ABSENCE

Any employee who expects to be absent from work must notify their supervisor as soon as possible, but in no case less than one-half hour (three hours in the case of a second or third shift employee) where practicable before their regular time for starting work, stating cause of absence and when they expect to be able to return to work.

6. ATTENDANCE IMPROVEMENT

Employees shall comply with all reasonable regulations introduced to govern reporting of absence and control of any abuse.

The Union and the Company agree to review periodically the attendance and disability benefit claims made by employees for the purpose of correcting any problems that may occur.

The procedure for improving attendance is included as part of this Agreement.
(ATTENDANCE IMPROVEMENT PROGRAM - APPENDIX F)

7. UNION LEAVE OF ABSENCE

Without loss of seniority rights, employees who are members of the Union when delegated or elected to transact business or matters pertaining to the Union shall be granted such leave of absence as may be approved by an officer of the Company.

Upon request of the President of the International Union or his designated representative, to the appropriate officer of the Company or his designated representative, an employee hired by the International Union on a temporary or regular basis shall be granted a leave of absence without loss of seniority, but without pay, for the period of twenty-four (24) months.

8. LEAVE FOR MATERNITY

An employee who has completed the six (6) months probationary period and who is pregnant will be eligible for a maternity leave without pay and without loss of seniority, not to exceed six (6) months, including the period of paid disability, vacation and unpaid leave (unpaid leave cannot exceed three a (3) months) and upon return to work shall be restored to the previous position or a similar position with the same status as of the date of leave unless operating conditions occur during the absence which affect the employee's seniority status.

Health and life insurance shall be continued for up to six (6) months for each maternity leave granted. However, you must continue to contribute toward the cost of any benefit plans that require employee contributions during the leave of absence.

Holidays occurring within any disability period are paid under the disability provision of the Labor Agreement.

Holidays occurring within any unpaid leave of absence shall not be paid.

If an employee has medical complications, the paid leave period provided under Article XII (Personal Security) shall apply in accordance with applicable laws

VI. WAGES

1. WAGE LEVELS

Wage levels for all jobs are defined in the wage grade schedules included as a part of this Agreement. (OPERATING CLASSIFICATIONS RELATIONSHIPS BY GRADE AND FUNCTION - RELATED JOB SERIES - APPENDIX B & C)

- a. Effective May 15 2004, Present job rates will be increased by one and one half percent (1.5%). This wage increase was implemented at the time of ratification of this agreement.
- b. Effective May 15, 2005, Present job rates will be increased by two and one half percent (2.5%)
- c. Effective May 15 2006-, Present job rates will be increased by two and one quarter percent (2.5%)
- d. Effective May 15 , 2007 , Present job rates will be increased by two and one half percent (2.5%)

- e. Effective May 15 , 2008 , Present job rates will be increased by two and three quarters percent (2.00%)
- f. Effective May 15 , 2009 , Present job rates will be increased by two and one half percent (2.5%)
- g. Effective May 15, 2010, Present job rates will be increased by two and one half percent (2.5%)
- h. Effective May 15, 2011, Present job rates will be increased by two and one half percent (2.5%)
- i. Effective May 15, 2012, Present job rates will be increased by two percent (2.0%)

2. WAGE GRADES

Jobs of the same relative value are grouped together into a Wage Grade. The grade determines the rate of pay for all jobs included in the grade. (OPERATING CLASSIFICATIONS BY WAGE GRADE - APPENDIX B)

3. WAGE RANGES

Wage ranges are established for each wage grade. A minimum and maximum rate applies to each job.

4. WAGE DETERMINATION

Wage differentials between jobs are based on differences in responsibilities, skills and duties.

In the event a new job is established, or a substantial change is made in the duties of an existing job, the rate for the new or changed job shall be established by the company, based on its equitable relationship to other jobs.

During the thirty (30) day period immediately proceeding the expected date of the change, the Company shall discuss the appropriate wage grade and rate with the Union. If the Union disagrees, they shall have the right for a period of six (6) months thereafter to appeal the Company's decision through the grievance and arbitration procedure, and the final rate determination shall be paid as of the date the job was filled or changed.

5. WAGE ADMINISTRATION

The Company establishes job classifications and the combination of duties that make up a job classification also determines whether or not a classification shall be filled and how many individuals are required in a classification at any time.

Individuals within a classification are required to perform all duties included in the classification.

To be eligible for promotion, employees bidding for posted openings must meet the minimum qualifications established for the job.

To be eligible for promotion within a related series of classifications, employees shall begin in the lowest classification in the series and pass a job related examination and complete required service in each successive level.

6. WAGE PROGRESSION

Progression to the job maximum rate shall be in intervals of no longer than a maximum of six (6) month service steps from the date of entry into the job.

7. TRANSFER BETWEEN JOBS NOT IN A RELATED JOB SERIES

a. To a Higher Wage Grade

An employee who bids to a job in a higher grade shall be paid the minimum for the job or the step rate next above his present rate, whichever is higher, and continue the established progression for the new grade.

b. The Same Wage Grade

An employee who bids to a job in the same grade shall be paid their present rate and continue the established progression, if any, to the maximum job rate.

c. To a Lower Wage Grade

An employee who bids to a job in a lower grade shall receive the step rate nearest his present rate but not to exceed the maximum job rate for the new job and continue the established progression, if any, for the new grade.

8. TRANSFER TO AND WITHIN A RELATED JOB SERIES

An employee bidding and entering a related job series shall begin at the step rate next above their present rate but not to exceed the median progression rate for the related job series and shall remain at this rate in the classification and shall then progress as qualified from grade as scheduled, provided periodic examination verifies continued eligibility.

9. TEMPORARY ASSIGNMENTS

An employee not in the progression within a related job series temporarily assigned to a job in a higher grade shall receive the minimum rate for the grade or the rate next above their regular rate in the higher grade for each day while doing any work in a higher grade. However, this shall not apply where employees are learning the duties of

the new job. If, however, the employee has held the position before and was at the rate maximum, or holds a license required to perform the job, the employee would receive the maximum. If the employee has been transferred to the job in the past, they would receive credit for the time spent on said transfer and the paid progression rate would apply.

An employee in progression within a related job series is expected to perform any assignment within the series that is covered by the training received prior to such assignment at his regular rate of pay.

An employee assigned to a lower wage grade shall continue to receive their regular rate.

VII. ALLOWANCES

1. OVERTIME

Any hours worked in excess of eight (8) hours in any day or forty (40) hours in any week shall be paid for at one-and-one-half times the regular rate of pay. Any time worked outside of the regularly scheduled working week shall be paid for at one-and-one-half times the regular rate, except that whenever the opportunity is afforded to an employee to take personal time off during the week for personal reasons not provided for in the contract, the employee shall, if work is available, work an equivalent number of hours at the straight time rate before any overtime or other premium pay shall be paid to the employee. In no case will work before or after the regular working hours during the regularly scheduled working week, or before or after the corresponding hours on the sixth and seventh day of the week, be classed as make-up time unless requested by the employee and agreed to by the Company. An employee who works seven (7) days within a workweek will be paid double time for all work performed on the seventh day. If Sunday is an unscheduled workday and an employee works seven (7) days during that workweek, then Sunday will be considered the seventh day for this purpose.

2. OVERTIME DISTRIBUTION

Emergency and overtime work shall be distributed equally among the eligible employees insofar as practicable. Overtime work is to be given to the regular employees on the job, if possible.

3. REPORTING FOR WORK

Employees required to report for work at regular starting time are to be allowed a minimum of four (4) hours pay when, in the Company's opinion, conditions prevent work from being performed. If held on duty over four (4) hours, employees will be paid for actual time held.

4. CALL-OUT AND EARLY WORK START

a. Call-out

Employees who are recalled to report for work after completing a scheduled work day (period or shift) and after leaving the premises of the Company, shall be paid at the rate of double time for such time worked but not less than six (6) hours pay at their regular straight time rate of pay for such call-back.

b. Travel Time

Fifteen (15) minutes travel time shall be allowed each way on such call-back.

c. Advance Notice

The call-out allowance shall not apply when the employee has been given at least twelve (12) hours advance notice of such call-out. When this occurs, the rate and time-and-one-half for hours worked outside of the regular work schedule shall apply.

d. Early Work Start

An employee called within two (2) hours of their regular scheduled reporting time shall be paid at the rate of time-and-one-half from the time the call is received until their starting time when they continue to work into their scheduled workday.

5. SHIFT AND SHIFT ALLOWANCES

Shifts are defined as follows:

If a majority of the hours of a shift fall within 8:00 a.m. and 4:00 p.m., the shift will be considered first shift. If the majority of hours of a shift fall within 4:00 p.m. and 12:00 midnight, the shift will be considered second shift. If the majority of the hours of a shift fall within 12:00 midnight to 8:00 a.m., the shift will be considered third shift.

All of the shifts described above will be considered to be within the twenty-four (24) hour period normally included in the calendar day.

An employee regularly scheduled to work on the second shift or third shift shall be paid in addition to their regular hourly rate, an allowance for all hours worked as follows:

ALLOWANCE		
	5-15-2004	5-15-2008
Second Shift	\$1.65	\$2.00
Third Shift	\$1.80	\$2.15

Such shift allowances shall apply to wages paid for holidays and vacations. They shall not apply to wages paid for other excused absences.

When the above shift allowances are earned, they shall be applicable to any continuous hours worked before or after such shift for which overtime is provided.

6. SATURDAY AND SUNDAY ALLOWANCES

An employee whose work schedule includes Saturday or Sunday or both as regular workdays within their five (5) day workweek shall be paid in addition to their regular hourly rate, an allowance for all hours worked as follows:

ALLOWANCE

Saturday	\$4.60 5/15/2004	\$4.95 5/15/2007
Sunday	\$6.90 5/15/2004	\$7.25 5/15/2007

It is not intended that regular work schedules include both Saturday and Sunday.

When the above allowances are earned, they shall be applicable to any continuous hours worked before or after any shift for which overtime is provided.

7. STAND-BY

a. Distribution Department & Production Maintenance

An employee in the Distribution Department or the Lead Electrician or Governor Maintenance classification who, in addition to working his normal workweek, is required to be on-call and must stand by available to respond immediately to a request to work anywhere in the service area of the Springfield Division shall be paid an allowance effective as follows:

ALLOWANCE	\$165.00 5/15/2004	\$185.00 5/15/2008
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Assignments pursuant to the stand-by provision shall be determined by the Company and made for a seven (7) day workweek. It is the intent of the Company to distribute stand-by assignments so that the opportunity to enjoy long weekends and holidays may be shared as equitable as is practicable.

8. MEAL ALLOWANCE

Employees required to work more than ten (10) continuous hours shall be furnished meals at the Company's expense, or an allowance as shown below.

For each additional three (3) hours of continuous employment beyond the initial ten (10) hours of continuous employment, an additional meal will be furnished or an additional allowance will be made.

ALLOWANCE	\$11.50 5/15/2004
	\$12.00 5/15/2009

This practice shall not apply to operators who work overtime through the courtesy of fellow operators.

9. FUNERAL LEAVE

Employees shall be granted up to three (3) consecutive workdays, ending with the day of the funeral, without loss of pay, in the event of the death of an employee's, father, mother, step-father, step-mother, step-child, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law and (4) consecutive workdays off without loss of pay in the event of the death of an employee's spouse or child, and one (1) day off, the day of the funeral or religious service without loss of pay, in the event of the death of an employee's uncle, aunt, grandparents or grandchildren. In the event that any of the foregoing live in the immediate household of the employee, the one (1) day may be extended at the discretion of management.

10. JURY DUTY

If any regular employee is required to be absent from work because of jury service, the Company will compensate the employee while on such service by making up the difference between what they would have received as pay for their regularly scheduled workweek (40 hours) and that which he received because of such jury service.

During this period of jury service, an employee will be deemed to be on a Monday through Friday work schedule. Employees who are excused from jury service before noon shall return to work for the remainder of that day.

11. MILITARY DUTY

If any regular employee is a member of a military service organization of the Armed Forces of the United States and such employee is required to report for training, the Company will compensate the employee while on such leave by making up the difference between what they would have received as pay for their regularly scheduled workweek (40 hours) and that which they received from the government. However the Company is not obligated to compensate an employee beyond a single two week training period per year.

Employees desiring Temporary Military Leave must secure approval in advance from the Personnel Department. Upon return from such Leave, the employee must present his government pay voucher to the Payroll Department and they will then receive the amount due as outlined above.

12. INCLEMENT WEATHER

If, in the opinion of the Company, weather conditions are such that work cannot reasonably be performed by Street Department employees, the Company will, except where emergency work is required, either permit such employees to seek shelter if available, or will return the employees to the Company for assignment to other work as may be available, so that there will be no loss in base pay (40 hours) for such employees. The decision of the Company as to continuance of work outside is subject to the grievance procedure.

Should inside work not be available upon any such occasion, the employee may be sent home by the Company if there is scheduled overtime available sufficient to make up such time lost at time-and-one-half so that the employee has the opportunity to work at least forty (40) hours in a week.

13. ALLOWANCES FOR METER READERS

The normal workweek for meter readers shall consist of forty (40) hours, meaning five (5) regular work days of eight (8) hours each, Monday - Friday, except that a meter reader will be excused upon completion of the reading assigned to him by the Company on a daily basis. However for the purposes of computing overtime, it will be presumed that the completion of their daily assignment is equivalent to eight (8) hours of work.

A meal allowance as defined in Article VII, Section 8, will be paid to a meter reader when it becomes necessary for the Company to split meter books, giving a reader at least one-half (1/2) of a book in addition to their normal daily assignment.

This practice shall not apply to meter readers who work overtime through courtesy to fellow meter readers.

The decision as to whether or not meter readers will be sent out to read in inclement weather must remain a management responsibility.

- a. When they are sent out, they are expected to put in a full days work and read as many meters as possible, including returning to read C.G.I.'s (can't get ins).
- b. If one or more meter readers are not sent out, the supervisor will assign them other work.
- c. The supervisor may, depending upon the severity of the weather conditions, elect to double up and split books giving a reader fewer than the total meters in the book to read during such severe weather conditions.
- d. A meter reader not assigned a Company car shall be provided a daily travel allowance of five dollars (\$5.00) per workday, plus the applicable IRS rate per mile.
- e. In the event that the meter readers are sent out to read and conditions worsen to the extent that the question arises as to whether or not to continue reading, the meter readers are expected to call their supervisor from the job sight for further instructions. If, in the supervisor's opinion, conditions are such that work cannot reasonably be performed by the meter readers, they may request the employees to return to the office for assignment to other work if available during such severe weather conditions, or will consider a request from a meter reader to be sent home on a personal time off basis. If in the supervisor's opinion, conditions do not warrant the cessation of meter reading, the employee may be required to continue reading meters. The decision of the Company as to continuance of reading meters during such severe weather conditions is subject to the grievance procedure.

Appeal Procedure: Should there be any question about meter readers working outside in inclement weather, the Steward may immediately request a decision from the Division Manager or his designee who shall be someone other than the supervisor of the Meter Reader Department.

14. REST TIME

a. Scheduled first shift employees - When call-outs begin prior to midnight and continue past midnight, an hour of rest time will be accrued for each hour worked after midnight. If work continues beyond four (4) hours prior to the employee's starting time, the employee will be entitled to the following shift off with pay. When call-out begins after midnight and a full four (4) hours of work is required prior to the employee's starting time, the employee will be entitled to half of the following shift off with pay. Breaks of two (2) hours or less will be included in determining total consecutive time.

b. First, second and third shift employees: Except in emergencies, no employee shall be expected to work more than sixteen (16) consecutive hours. In the event an employee is required to work more than sixteen (16) consecutive hours, such employee will be compensated at the rate of two-and-one-half times their regular rate of pay. At the end of sixteen (16) hours or more of consecutive work, the employee will be entitled to a rest period of seven (7) consecutive hours before resuming normal operations. This will be without any loss of pay if the seven (7) hours overlap their normal shift. Should more than one-half of the shift be involved, the employee shall have the entire shift off with pay.

c. Work performed during accrued rest time shall be paid for at the employee's rate plus his regular straight time rate.

15. REST TIME - SHIFT CHANGE

The Company's normal practice is to arrange work schedules so that each workday is separated by at least eight (8) hours. When this is not possible, employees will have the option on the second day of:

1. Working the normal schedule or
2. Working an eight (8) hour shift beginning eight (8) hours after the conclusion of day one or
3. Beginning work eight (8) hours after the conclusion of day one and concluding at the employee's normal shift end.

If the third option is selected, the employee will be paid for hours worked.

During the period November 1 through March 15, only options #1 and #2 above apply.

16. CLOTHING ALLOWANCE

A clothing allowance will be paid each Collector as follows:

\$4.50/wk

Such payments will be made during the last month of each year.

17. TOOLS

- a. The Company shall furnish all necessary and proper tools, and shall replace or repair worn or damaged tools.
- b. The Company will require that worn or damaged tools be turned into Stores before replacement tools are issued.

Individual employees shall be reasonably responsible for tools assigned to their use.

VIII. VACATIONS

1. VACATION ELIGIBILITY

Regular employees who have completed six (6) months of service by September 1 of the calendar year shall be entitled to one (1) week of vacation with pay during the first year of employment.

In the event an employee is called for Jury Duty during part or all of his/her vacation time, he/she shall receive extra vacation days equivalent to the number of days during their vacation for which they qualified for Jury Duty.

Regular employees continuously employed by the Company, who meet the service requirements indicated below by December 31 of the calendar year, shall be entitled to vacation during the calendar year with pay as follows:

SERVICE REQUIRED	VACATION
One Year	2 Weeks
Three Years	3 Weeks
Ten Years	4 Weeks
Twenty Years*	5 Weeks*

*Employees hired on and after 1/1/2005 are not eligible for the fifth (5th) week of vacation.

2. SELECTION AND LIMITATIONS

Vacations shall, as far as is practicable, be granted during the normal vacation period at the time selected by the respective employee with selection up to the first two (2) weeks to be as has been in the past. If an employee requests part of their annual vacation other than during the normal vacation period, the Company will make every effort to comply provided their absence during that period will not unduly disrupt the Company's operations, but the final allotment of vacation periods shall be exclusively reserved to the Company.

An employee may elect to defer to the following year vacation time earned in excess of two (2) weeks up to a maximum of two (2) deferred weeks so that an extended vacation may be scheduled to include all of the time deferred. The taking of deferred vacation shall be granted when there are no conflicts and no adverse effects on operations. Employees who elect to defer vacation time should advise their Supervisor prior to September 1 of the year the vacation is due. Deferred vacation is to be paid at the pay rate in effect at the time the vacation was earned.

Subject to operating requirements and usually following advance notification and authorization, and at no added costs to the Company, an employee may elect to take within a calendar year, up to a maximum of one (1) week of eligible vacation one (1) day at a time.

3. ALLOWANCE*

*Effective January 1, 2005, the payment of an allowance for vacation will be discontinued.

Vacation pay shall be based on forty (40) hours at the employee's straight time hourly rate, including shift or Saturday or Sunday allowances for an employee who is and has been regularly assigned to a second or third shift or Saturday or Sunday work schedule, and, in addition, shall include for each earned week a supplemental allowance as follows:

ALLOWANCE \$140.00

An employee entitled to more than two (2) weeks of vacation may elect, with the Company's approval, to receive the vacation allowance for earned vacation in excess of two (2) weeks instead of time off. This allowance, in lieu of time off, shall be paid either at the time the employee takes a vacation or by the 15th of December, whichever is requested by the employee.

* the following two paragraphs should be moved to the end of section 1.

When a holiday occurs during an employee's vacation, he will be granted an additional day of vacation at a time mutually convenient to the Company and the employee.

Vacation earned within a calendar year and not taken will be paid to the employee upon termination and the beginning of a layoff or extended leave of absence or to the employee's surviving spouse or dependent.

4. ACCIDENT, ILLNESS OR DISABILITY

Vacation payments to any employee who has lost time aggregating six (6) months or more in any vacation year because of accident, illness or disability shall be determined as follows:

Less than six months of continuous employment - No vacation

Over 6 months, but less than 1 year of continuous employment - 1 1/4 days

Over 1 year but less than 2 years of continuous employment - 2 1/2 days

Over 2 years, but less than 5 years of continuous employment - 5 days

Five years or more of continuous employment - full vacation

IX. HOLIDAYS

1. HOLIDAYS OBSERVED

The following days shall be recognized as holidays on the day which they are observed in Massachusetts, or in the case where the holiday falls on a weekend, it will be observed on Friday if the holiday is on Saturday and Monday if the holiday falls on a Sunday.

New Year's Day
Washington's Birthday
Patriot's Day
Friday before Memorial Day
Memorial Day
Fourth of July
Labor Day

Columbus Day
Veteran's Day
Thanksgiving Day
Christmas Day
Employee's Birthday

An employee who wishes to take their birthday holiday on a day other than their birthday shall request time off two (2) weeks in advance and the request shall be acknowledged within one (1) week. Such request shall not be refused, provided that available manpower is consistent with operating requirements of the department.

In the week preceding the Memorial Day weekend, shift workers, excluding emergency crews and continuous coverage workers will be scheduled to work Monday through Friday.

2. HOURS

For the purpose of this Agreement, the holiday shall commence with the shift beginning at 12:00 midnight on the day preceding the holiday and continue for twenty-four (24) hours.

3. ELIGIBILITY

To be eligible for unworked holiday pay, the employee, unless otherwise excused in advance by the Personnel Department, must have worked a full day upon his regularly scheduled working day preceding and succeeding such holiday.

Employees absent from work because of illness or injury will be considered properly excused and eligible for unworked holiday pay as specified in Paragraph 1, Section 4 of this Article regardless of their sick pay status.

4. ALLOWANCES

All employees to whom this Agreement applies shall be paid for the twelve (12) holidays at the regular rate of pay of such employees when the same shall fall within their regularly scheduled workweek and no work is performed. The number of hours in the normal eight (8) hour day at straight time will be allowed and such hours shall accumulate toward weekly overtime.

If a regular employee is required to work on a holiday, they shall receive two (2) times their regular hourly rate of pay for all hours worked within the holiday, plus the holiday allowance specified above or may elect to request a day off for each of the following major holidays worked (Memorial Day, Fourth of July, Labor Day, Thanksgiving, Christmas), at a mutually convenient time to the employee and the Company.

If a regular employee voluntarily works on a holiday, they shall receive two (2) times their regular rate of pay for all hours worked, plus the holiday allowance specified above.

Employees whose normal work schedules do not include the holiday will be paid an 8-hour allowance and will be able to schedule a day off without pay at a mutually acceptable time.

X. OPPORTUNITIES FOR ADVANCEMENT AND RECOGNITION

1. JOB POSTING

When a job is open within the classifications covered by this Agreement, it shall be posted in all departments and shall remain posted for five (5) consecutive workdays with the exception of Saturdays, Sundays and holidays, which shall be excluded in determining the period of posting, but shall not be held to break the continuity thereof.

All bids for job openings shall be in writing, and shall be submitted during the said five (5) day posting period. Such a job bid may be submitted by a Shop Steward on behalf of an employee who is absent because of illness or injury or because they are on vacation, provided that the Shop Steward shall have been requested to do so by such employee. No such absent employee shall be eligible for such job opening unless such employee shall return to work within thirty (30) calendar days after they have been notified that they are the successful bidder, unless the Company and the Union shall mutually agree to waive this requirement.

In filling such job opening, seniority as defined in Section 1c of Article XI shall be the determining factor, subject to the minimum qualifications and fitness as determined by the Company, on a non-discriminatory basis. The Company agrees to fill all job openings so posted as soon as reasonably practical after the five (5) day posting period, but in any event within fourteen (14) calendar days thereafter. If there shall be no bidders or no successful bidders for such a job so posted, then the Company may fill the job from any source. The successful applicant may be returned to their former job by the Company for a valid reason upon completion of a six (6) month period on the job or the successful applicant may be returned to their former job for a valid reason at their own request after the above mentioned six (6) month period and is further restricted during the six (6) month period to bid down unless it is in progression.

XI. EMPLOYMENT SECURITY

1. SENIORITY

a. The term "seniority" where used in this Agreement shall mean Company seniority except as noted below. Company seniority shall be defined as the length of service of an employee with the Company, starting with the first day of the employee's last period of continuous employment by the Company. When employees have equal Company seniority, the employment application having the earliest date will have preference.

b. The term "bargaining unit seniority" shall mean the length of continuous time an employee has been assigned to any classification covered by this Agreement and shall apply to job bidding and layoffs.

2. TERMINATION OR INTERRUPTION OF SERVICE AS AFFECTING SENIORITY

Employees forfeit all claim to seniority previously established if they:

- a. Voluntarily leave or are discharged for cause
- b. Are absent from work and fail to notify the Company of reason for absence for three (3) consecutive days except under extenuating circumstances.
- c. Are on lay-off status for a period in excess of twenty-four (24) months.

- d. Are on lay-off status and fail to accept or apply for re-employment within one (1) week following notice of recall.
- e. Are on lay-off and fail to report for work within two (2) weeks following acceptance of re-employment.

Seniority shall continue to accrue under the following conditions:

- a. A leave of absence in writing granted by an Officer of the Company not to exceed six (6) months except as defined in Article V, Section 7 of this Agreement.
- b. Illness attested by a physician's certificate.
- c. Service in military forces of the United States of America.
- d. Absence due to lay-off not to exceed twenty-four (24) months.

3. APPLICATION OF ARTICLE

The provisions of this Article shall not apply to managers or supervisors, nor shall these provisions apply to the selection or hiring of managers or supervisors to be appointed by the Company hereafter. An employee promoted to manager, supervisor, or other job outside the bargaining unit shall retain bargaining unit seniority for a six (6) month period. An employee who reverts back to classification covered by the Agreement after such six (6) month period forfeits all previously established bargaining unit seniority.

An employee who is transferred to a position outside of the bargaining unit and is later retransferred to a position within the bargaining unit shall retain their previously established unit seniority provided such employee filed timely applications for all previously posted unit positions which were not more than three (3) wage grades below the wage grade they had attained at the time of their transfer from the unit.

4. SENIORITY LIST

The Company will furnish the Union a seniority list annually on the anniversary date of the Agreement and post a copy of such list in all departments.

5. REDUCTION IN FORCES

In cases of layoff for lack of work, reduction in the workforce or the elimination of a job, seniority as defined in Article XI, Section 1c will be given first consideration. In the case of an employee so laid off or affected by a reduction in the workforce, or the elimination of a job, said employee shall have the right to replace another employee within the Company who has less seniority than said employee, provided that said employee shall have the minimum qualifications and fitness to fill the job as determined by the Company on a non-discriminatory basis.

An employee so laid off, or affected by a reduction in the workforce or the elimination of a job shall have the right to exercise their seniority to bump laterally or downward subject to the above-mentioned requirement of minimum qualifications and fitness. Any such employee shall not have the right to exercise their seniority to replace an employee in the Company who occupies a higher rated job unless said employee has previously held such higher rated job and has the above-mentioned minimum qualifications and fitness to return to that job. The Company shall give at least fourteen (14) calendar days notice to the Union of any such intended layoff for lack of work, reduction in the workforce or elimination of a job.

Such laid off employees shall be recalled to openings in jobs in the Company for which they have minimum qualifications and fitness as determined by the Company on a non-discriminatory basis in reverse order from that in which they were laid off. The Company shall notify such employee or employees by certified mail sent to their last known address that such work is available and if the employee shall fail to accept such re-employment or fail to apply therefor within one (1) week of the receipt of such notice then such employee shall lose all of their seniority rights previously established and continuity of employment shall be forfeited. In the event that said notice of recall is returned to the Company or cannot be delivered for any reason, the Company shall notify the Union of the recall opportunity and the employee to be recalled shall have one (1) week from the date of such notification to the Union to accept such reemployment or apply for it. In the event that such employee does not do so, they shall lose all their seniority rights previously established and their continuity of employment shall be forfeited. It shall be the duty of the employee to keep the Company advised in writing of their current address. Any employee accepting reemployment shall report for work within fourteen (14) calendar days of such acceptance. No employee shall be entitled to be recalled under the terms hereof more than twenty-four (24) months after the date of their layoff.

6. LAYOFFS

The Company agrees that no employee on the active payroll of the Company, on the date of ratification of this agreement will be involuntarily laid-off. However, this provision shall not apply to employees terminated for cause and employees hired after the date of ratification. Union Officers and Stewards elected by the membership shall, for the purposes of layoff, be placed at the top of the seniority list for their designated term of office unless they resign or are removed by the Union for cause. The Company may, during the term of this agreement, should the need arise, to reduce the workforce, and after providing notice to the Union, offer early retirement and or "buyout" programs in which employees may voluntarily participate.

7. SEVERANCE ALLOWANCE

The Company will pay severance allowance to eligible employees as follows:

- a. Regular employees after one (1) year of service shall be given an opportunity to accept a severance allowance of one (1) week's base pay for each full year of continuous service at the time of layoff unless they choose to accept layoff and be eligible for recall.
- b. Severance allowance shall be in addition to any earned vacation benefits for which the separated employee is eligible.

An employee shall not be required to accept severance pay. Such employee shall have the option, effective up to ninety (90) days following the date they received notice of layoff from the Company to accept or not to accept severance pay. In case such employee elects not to accept severance pay, they shall not lose their re-employment rights, but shall retain all re-employment or other privileges which the contract between the Company and the Union, or which the practice of the Company provides.

8. DISCHARGE

If an employee is discharged, the Company will furnish such employee, upon request made within three (3) days from the date of their discharge the reason for discharge, and thereafter, upon their request for a hearing made within three (3) days after they have been furnished with a reason for their discharge as above, the Company will grant a hearing to such employee, at which hearing the employee may be present with their representative. If, as a result of such hearing, it is found that the employee was unjustly discharged, they shall be reinstated and shall be paid for any time lost as may be determined at the hearing.

9. SUSPENSIONS

Within seven (7) days from the date on which an employee has been suspended, the Company shall, upon written request of the Union, grant a hearing to the employee involved and their Union representative. The Company will inform the Union of the reason for the suspension at this hearing and within twenty-four (24) hours after this hearing advise the Union of its findings.

XII. PERSONAL SECURITY

1. WAGE CONTINUATION DURING DISABILITY

This provision for continuing earnings during periods of personal disability is not intended as an annual entitlement to cover absence for any personal reason, but is solely for the protection of a regular employee temporarily and legitimately disabled and usually under the care of a physician.

Any employee claiming disability benefits may be required to submit to an examination by a physician designed by the Company. Should there be any disagreement between the Company's designated physician and the employee's attending physician, the Lahey Clinic, except as provided for in Paragraph 3 of this Section, shall make a final and

binding determination of the eligibility of the employee for benefits or continuation of benefits.

An employee whose disability is due directly or indirectly to intoxication or to drugs or narcotics, excluding medication prescribed by a doctor, or to injuries as a result of willful misconduct or horseplay, or to injuries while in the employ of another employer or while working at another job for pay, shall not be entitled to any disability pay or benefits.

If an employee of the Company covered by this Agreement is eligible to receive any benefit under Chapter 90, Section 34A of the Massachusetts General Laws (no fault automobile insurance), such employee shall not be eligible to receive any of the benefits described in this Article, provided that if the benefits said employee would have received under the plan described herein above exceeds the benefits for lost wages which they are eligible to receive under Section 34A, the Company shall pay the difference.

2. OCCUPATIONAL DISABILITY

Time lost on account of occupational injuries will not be regarded as personal disability. The Company agrees to pay regular employees governed by this Agreement the difference between their regular pay and the amount received in case of occupational injuries for a period of thirty (30) weeks. Employees with over five (5) years of service will receive such payment for forty (40) weeks, and employees with over ten (10) years service will receive such payment for fifty (50) weeks. Employees are required to notify the Company immediately upon receiving payment from Worker's Compensation and must immediately refund the amount received from Worker's Compensation during the above period.

During the life of this Agreement, if any difference shall arise between the employer and the employee as to whether an individual is physically able to return to their regular duties following an occupational injury, such difference shall be resolved as follows:

The individual shall be examined by a physician appointed for the purpose by the employer and a physician appointed for the purpose by a duly authorized representative of the Union. If the physicians appointed shall disagree concerning whether the individual is physically able to return to their regular duties, the question shall be submitted to a third physician who shall be a specialist as to the impairment or disability directly or indirectly attributable to the occupational injury selected by such two physicians. The medical opinion of the third physician, after examination of the individual and consultation with the other two physicians shall decide the question.

Should the two physicians be unable to agree upon a third physician, then the matter will be referred to the Massachusetts Medical Society for the selection of a third physician who shall be a specialist as above described certified by their respective board

who will consider the case and render a decision within two (2) weeks from the date they review the case and their decision will be binding upon the parties.

The fees and expenses of the physicians shall be paid by the employer.

If the decision finally reached as a result of the above or a decision is reached without resorting to the above, to the effect that an employee is unable to perform their regular duties, the company shall assign such employee to a position which, in the opinion of the company, they is capable of performing.

Employees who have recovered from an occupational injury and are medically certified (subject to review and appeal to the third doctor as stated above) by the insurance company's doctor as qualified for work will be guaranteed employment with the Company. However, the employment rights of an employee as provided in the Basic Agreement shall not be enlarged, diminished or otherwise affected by reason of this provision.

3. ILLNESS AND NON-OCCUPATIONAL DISABILITY

The Company will pay the full amount of the employee's regular straight time daily wage for any day or days lost due to illness or accident within such employees first four (4) regular days of work provided the Company is satisfied as to the legitimacy of the disability claim.

If the disability lasts for five (5) regular days of work or more, when such disability is verified by a physician's certificate, the Company will continue the employee's regular daily pay for up to a maximum period of twenty-six (26) weeks.

Employees hired on and after January 1, 2005 will be eligible for Short Term Disability benefits in accordance with the following schedule:

Years of Service	100% Base Pay	60% Base Pay
1 to 9	8-Weeks	18-weeks
10 to 19	16-Weeks	10-Weeks
20+	26-Weeks	

4. LONG TERM DISABILITY

During 2004, the Company shall provide Long Term Disability (LTD) protection covering all regular employees after one (1) year of service which will pay a benefit of sixty-five percent (65%) of straight time weekly earnings, or a combined benefit of seventy percent (70%) when added to the amount of any other income benefits available to the employee for such period beginning six (6) months after the date disability commences under conditions described in the Plan. Monthly benefit payments will not be reduced by future cost of living increases to social security benefits.

Effective January 1, 2005, the Company will provide at no cost to the employee LTD coverage that will pay 50% of an employee's average base pay (this change eliminates the current \$2000 per month cap on the benefit amount). Employees will be provided the option to purchase coverage at the 60% level during their annual enrollment period.

Long Term Disability Benefits will not be paid beyond twelve (12) months, unless the employee has applied for and continues to apply for Social Security Disability Benefits.

Employees are required to notify the Company immediately upon being granted Social Security Disability and must immediately refund to the Company any overpayment of Long Term Disability Benefits.

5. HOSPITALIZATION - SURGICAL - MEDICAL BENEFITS

All regular employees shall have the option once each year to elect one of the following to be effective January 1st. Employees may cover unmarried dependent children under (a) or (b) below to age 19 or age 23 if a full time student. Coverage may continue to age 45 if the child is physically or mentally handicapped. Employees become eligible for coverage for the options below following thirty (30) days of employment with the Company. Effective January 1, 2005, the Company will offer employees the choice of family medical coverage, single plus one medical coverage or single medical coverage.

A. Health New England - a regional HMO which will include prescription drug coverage. The monthly rate in 1994 will not exceed \$178.11 for single coverage and \$463.12 for family coverage.

B. Employees will be provide additional choices in regards to health care coverage. The Company will offer its' PPO Medical Coverage Plan and two (2) Standard Indemnity choices.

a. No Coverage - An employee who is not covered under an individual, family or any other health care plan under either (a) or (b) above, will receive effective 1/1/2005 \$1950 for each full year that the employee has no health insurance coverage with the Company. The employee will need to show proof of coverage under another health insurance program. This payment is made in January of each year subsequent to waiving coverage and is considered taxable income to the employee.

a. The employee offset rate for Health New England will be twenty percent (20%) of the total monthly premium. These offsets are made through payroll deductions and are on a pretax basis. The offset rate for the Company's Plans will be based on what is provided across NiSource.

b. The Company will provide employees who are covered under (A) or (B) above with about the same coverage when they retire provided they meet all of the following requirements:

1. Retire under the provisions of the Company Pension Plan.
 2. Receive a pension benefit under the Company Pension Plan and:
 3. They are at least forty-five (45) years of age on January 1, 1993
- c. For employees hired prior to May 14, 1999 and employees who had not attained age forty five (45) by January 1, 1993, the Company contribution for retiree medical expense will be limited to the following:

For the period when the retiree is under 65	\$1100 per month
For the period when the retiree is 65 or older	\$225 per month

- g. Employees hired after May 14, 1999, are not entitled to retiree benefits.

The Company will utilize a Voluntary Employee Benefit Association Trust to fund retiree medical benefits.

A new employee assigned to a regular position who is covered by a similar plan at the time of employment shall become eligible for options (a) or (b) as a transferee and such employee will be so transferred and will pay the full working rate or premium of the plan they have elected. Following thirty days of employment, such employee will have the option of electing (a), (b) or (c) above.

6. DENTAL

This coverage provides for payment of incurred covered dental expenses subject to a calendar year deductible of twenty-five dollars (\$25.00) per person for Basic and Major Services. Effective January 1, 2005 the Company will offer two Dental Plan options. The Basic Plan will have a \$50 per person deductible and a \$150 maximum family deductible. This plan will have no premium cost sharing. The Optional Dental Plan will have no deductibles but will have a 15% Premium Cost Sharing.

The Basic Dental Plan and the Optional Dental Plans will pay 100% of preventive, 80% of basic and 50% of the cost of major services as defined in the plan document. Payment for incurred covered dental expenses will be based on reasonable and customary charges for a specific geographic location, as determined by the dental insurance carrier, subject to a maximum of one thousand dollars (\$2,000.00) for each calendar year applied separately to each insured family member.

The Optional Dental Plan will provide Orthodontic services for employees and their qualified dependent children. Orthodontic services are covered on the basis of 50% of covered expenses with a maximum of fifteen hundred dollars (\$1500.00) each covered participant. This provision will be effective January 1, 2005.

7. LIFE INSURANCE

The Company shall make available to regular employees group life insurance, subject to the terms and conditions of the Master Policy now in effect with the insurance carrier.

Each regular employee shall be provided life insurance by the Company in an amount equal to two (2) times their base pay. Additional Basic Life Insurance, Optional Group Life Insurance and Dependent Life Insurance will be made available effective January 1, 2005.

The maximum life insurance available to an employee who retires and receives a pension under the Pension Plan described in Section 10 of this Article is five thousand dollars (\$5000).

8. ACCIDENTAL DEATH AND DISMEMBERMENT

The Company will make available to regular employees, accidental death and dismemberment insurance subject to the terms and conditions of the Master Policy with the insurance carrier. The amount of accidental death and dismemberment insurance an employee is eligible for is two (2) times their base pay. Additional Optional AD&D coverage will be made available effective January 1, 2005.

9. PENSION

Pension plans as agreed upon between the Union and the Company shall continue for the life of this Agreement and succeeding agreements, subject to such modification as may be mutually agreed upon by the parties hereto.

All covered employees who take normal retirement during the term of this Agreement shall receive a pension benefit as stipulated below.

Effective May 15, 1999, the pension plan formula shall be changed to a final average pay formula. The final average pay pension plan shall be calculated using an average of the highest three (3) years' base pay in the last ten (10) years up to a maximum of [Effective May 15, 2004, the base pay cap will be increased to sixty-five thousand dollars (\$65,000). Effective May 15, 2008, the base pay cap will be increased to seventy thousand dollars (\$70,000). Effective May 15, 2012, the base pay cap will be increased to seventy-five thousand dollars (\$75,000)] using a multiplier of one and one quarter percent (1.25%) of such final average pay times the years of service up to a maximum of forty five (45) years.

An employee is vested after five (5) years of service. For vested employees there is a lump-sum option to cash out of the pension plan available at any time when the employee terminates for any reason.

EARLY RETIREMENT

Employees who have attained age 55 and who have completed 10 or more years of Credited Service, as defined in the plan document for the Pension Plan for Operating Employees of Bay State Gas Company, may retire on the first of any month thereafter.

An employee will be entitled to receive an unreduced retirement benefit at age 60 if the employee has at least 25 years of service with the Company. In the event an employee decides to retire prior to age 60, the retirement benefit would be calculated as follows:

(a) If the employee has 25 or more years of service with the Company, the retirement benefit would be reduced by 3/10% for each calendar month between the date the employee actually begins to receive the retirement benefit and age 60.

(b) If the employee has less than 25 years of service, the retirement benefit would be reduced by 3/10ths% for each calendar month between the date the employee actually begins to receive the retirement benefit and age 65.

There is a Social security supplement (bridge) for employees who retire between the ages of sixty (60) and sixty-two (62), payable during that period.

10. OPTIONAL BENEFITS

Effective January 1, 2005, the Company will provide the following Optional Benefits: Vision Care Plan, Life Insurance Benefits (Optional Coverage that apply to the employee, spouse or dependent) as noted above, AD&D additional coverage, Dental coverage for orthodontic services, and the opportunity to increase coverage under the LTD Plan. The details of these Plans will be provided annually during the Benefit Choice Period.

11. SAVING PLAN FOR OPERATING EMPLOYEES

As of January 1, 2000, for employees eligible to participate in the 401(k) plan in accordance with the plan document, the company will contribute to a 401(k) account in their names an amount equal to a fifty percent (50%) match of the first five percent (5%) of an employee's contribution to the plan for all eligible employees.

Eligibility to join the plan, investment options and loan provisions of the plan are outlined in the plan document.

12. SAFETY EYEGLASSES AND SAFETY SHOES

The Company will pay, effective May 15, 2004, an annual allowance of ninety (\$90.00) towards the cost of safety eyeglasses purchased through the Company for an

employee's own use. An employee may purchase eyeglasses any place, provided they are the type required and proof of purchase is provided.

The Company will pay, effective May 15, 2004, an annual allowance of ninety (\$90.00) towards the cost of approved safety shoes for an employee where the General Safety Committee recommends that they be worn on the job. To be eligible for this allowance, an employee must present the Company with a receipt of purchase. An employee may purchase up to two (2) pairs of approved safety shoes in a calendar year.

13. SUBROGATED RIGHTS

Payments made under the provisions of this Article will be reimbursed to the Company to the extent that any amounts recovered on account of the accident or sickness on a claim against a third party exceed Workmen's Compensation or any payments required by law.

14. DUPLICATION

Amounts required to be paid by the Company under any law providing benefits similar to the benefits provided for in this Article shall reduce to the extent the amounts the Company shall be required to pay under this Article and appropriate adjustments shall be made in the benefits provided for in this Article to the end of eliminating duplication of benefits under this Article and benefits required by law.

15. MAINTENANCE OF EARNINGS

a. An employee who becomes unable to perform normal duties because of disability shall be provided an opportunity to perform available work in any classification by bumping the least senior employee in a job where they have the skill, physical fitness and qualifications to perform the job.

b. Where an employee becomes unable to perform normal duties because of illness or disability, the following retrogression pay schedule will be applicable:

1. An employee with less than twenty (20) full years of continuous service with the Company at the time of retrogression shall receive the ultimate base rate of their new job classification. The rate of retrogression shall be at fifteen cents (\$.15) per hour for every six (6) months until they reach the rate of the new job which is lower than their present rate.

2. An employee with more than twenty (20) full years of service shall not suffer any wage retrogression and their pay scale shall be prefaced with the words "SPECIAL RATE."

3. There shall be no reduction in the employee's group life insurance amount as result of the above retrogression.

4. If a dispute arises between the Company's physician and the employee's family physician and in the event of a disagreement as to the employee's condition and/or ability to perform the work of any particular job classification, the case shall be referred to a recognized specialist or clinic in the field of medicine involved whose opinion will be final and binding upon all parties involved. The employee's physician and the Company's physician shall make the selection of such specialist or clinic.

16. MEDICAL RECORDS

In accordance with existing laws, the Union must have a release form signed by the employee before the Company will discuss or release any medical information pertaining to or about any employee.

17. DRUG TESTING & DOT PHYSICALS

The Company will institute a split sample element to its existing DOT drug testing program.

18. DEPENDENT CARE & HEALTH CARE SPENDING ACCOUNTS

Company will offer dependent care and health care reimbursement accounts on a pre tax basis effective January 1, 1994.

XIII. RESTRICTIONS - COMMITMENTS

1. INSTALLATION OF APPLIANCES

All appliances sold to the ultimate consumer exclusively through the initiative and efforts of the Company's salesmen will be installed by Company employees insofar as is practicable to do so with existing installation crews.

2. METER REPAIR

Inspection, replacement recall and repair of meter indexes in the field will be allowed. All other meter repair work is to be performed by Company employees in the Company's repair shop.

3. OUTSIDE CONTRACTORS

As long as appropriate equipment and qualified employees are available to do work customarily performed by the bargaining group within the time required for completion, the Company will not, insofar as is practicable, contract out work normally performed by such employees when contracting out would result in a reduction of existing crews. The Company agrees that the work ordinarily and customarily performed

by its own employees, throughout the bargaining unit, will not be contracted out if such contracting out would result in the layoff of its employees, or a reduction of their normal workweek.

Bargaining unit work can be performed by contractors during any week if the Company meets the following obligations.

The Company will offer, on a one for one basis, a sixth day of work in the following week to distribution department (street department) employees when the number of contractor employees working for the company in any given week equals fifteen (15) or less, over fifteen (15) will require the entire department to be offered a six day of work. Not included in this match is the first three (3) contractor employees who are working for the company during the construction season.

For the purpose of administering this provision, the Company will canvas the roster of distribution department (street department) employees if necessary, in order to satisfy its obligations hereunder. The offering of overtime to distribution department (street department) employees will be no later than Wednesday of the week in which they are to work.

Neither the Company nor the Union shall use any type of past practice, understanding, or other agreement in existence prior to the effective date of this agreement outside of the Collective Bargaining Agreement to oppose the operation of this section.

During the term of this Agreement, bargaining unit employees will perform live gas work on main tie-in's (i.e. by-pass, purging and stopping). Contractors shall install new and replacement mains and will be responsible for providing offsets and full tees. Live gas tie-in's on main extensions may be performed by contractors.

Random services identified with leaks will be replaced by bargaining unit employees. Service abandonments and the installation of new and replacement services up to the lock cock, including tapping, shall be done by contractors.

Service inserts where meters can not be relocated outside will be done by the bargaining unit.

Service installation and maintenance on high pressure system to be done by bargaining unit.

4. BULLETIN BOARDS

The Company will provide reasonable bulletin board space in its various departments for the posting of Union notices to its members. Such notices shall be signed by a responsible Local Union official.

5. SUMMER EMPLOYEES

Summer employees shall be those non-union employees employed between May 1st and September 15th for vacation relief in the Distribution, Maintenance/Gas Supply, Transportation, Metering/Meter Shop, Customer Service, and Stores Departments.

6. MONSON/PALMER

The parties agree that effective two weeks after contract ratification, the Monson/Palmer area will become part of the work assignment for Local 12026 bargaining unit. It is further understood that the installation of the eight (8) inch steel pipe extension project on Rt. 181 progressing to the Palmer Industrial Park will be excluded from any agreements or provisions of this contract.

The union agrees to withdraw the Monson/Palmer grievance, as part of this agreement.

7. CURB COCKS

Collectors will be required to shut off curb cocks.

8. HEALTH CARE ARRANGEMENT

The parties recognize that rising health care costs are a problem, but that affordable quality care must be maintained for its members and employees. The parties agree to combine their efforts to assist in providing a health care program that puts in proper balance quality of care and containment of rising health care costs.

Toward this end, the parties have developed a health care choice (HCC). The parties recognize that the success of a quality HCC depends upon the full cooperation of the company, the union and its members. Therefore, the parties shall make every good-faith effort to resolve possible differences or difficulties.

The parties shall implement this letter of understanding through a joint implementation and utilization review committee. The parties shall have proportional representation on the committee, the purpose of which is to develop, introduce, promote and monitor all of the various elements of the HCC. Union representatives on the committee shall report to their respective parties. Union representatives shall be paid wages and incidental expenses by the Company for attendance at joint health care meetings. The joint committee shall be responsible for approving and overseeing a comprehensive health care plan education program. This program will include concepts such as work site meetings, distribution of summary plan descriptions and other written materials, and access to individual health care counseling. Materials will be developed by the insurance administrator under the direction of the committee. The education program will begin no later than October 1, 1993, and will be a continuing program.

All health care carriers shall prepare a comprehensive utilization report each six (6) months and this report will be provided to and reviewed by the joint committee.

XIV. UNION-MANAGEMENT COMMITTEES

1. SAFETY COMMITTEE

There shall be a committee of four (4) Union members selected by the Union will meet with the General Safety Committee at such time and place as meetings are scheduled to discuss matters pertaining to safety. Of the members designated by the Union, one shall be from the Service Department, one shall be from the Street Department, one shall be from the Plant Department and one from any of the several remaining departments.

2. GRIEVANCE COMMITTEE

The Union shall appoint a five (5) member Union Committee, the members of which shall have continuous service of at least six (6) months. The Company shall deal with the Union Committee in the matter of grievances as provided in the grievance procedure.

3. NEGOTIATING COMMITTEE

The Union shall appoint a Negotiating Committee composed of seven (7) bargaining unit employees for the purpose of negotiating new Agreements.

XV. COMPLAINTS AND GRIEVANCES

1. GRIEVANCE PROCEDURES

a. The Company Committee and the Grievance Committee may meet at the request of either party, at a time mutually agreed upon, as required to discuss disputes arising out of this Agreement. The notice of such meetings will contain necessary information on the subject matter of the meeting.

b. During the term of this Agreement, should any dispute arise between the Company and the Union as to the true interpretation and application of this Agreement, there shall be no suspension of work, but the same shall be treated as a grievance and every reasonable effort shall be made to settle such grievance in the following manner, except in the case of a general grievance raised by the Union, in which case the grievance shall be a written one originated by the aggrieved party at Step 3 below:

c. *A grievance shall be filed within sixty (60) calendar days of the incident causing it or (60) calendar days when the incident should have been reasonably been known by a member of the Grievance Committee.

*Effective December 1, 1993

The grievance steps shall be as follows:

1. The aggrieved employee(s) and their Steward shall discuss the grievance with the immediate supervisor and attempt to settle the grievance. If the Shop Steward is not available, the employee(s) may be represented by a member of the Grievance Committee. If a satisfactory settlement is not reached within seven (7) calendar days then
2. Within seven (7) calendar days of the time that the grievance was answered at Step 1. The Union Committee shall reduce the grievance to writing on a form mutually agreed to by the Company and the Union and forward the written grievance to the Department Manager or his designate. The Department Manager or their designate shall discuss the grievance with three members of the Grievance Committee (*Union President or his designate, Recording Secretary and appropriate Shop Steward) and shall reply in writing within seven (7) calendar days and if a satisfactory settlement is not reached, then
3. Within seven (7) calendar days of the receipt of the written reply, the grievance shall be referred for settlement to the Vice President of the Company, Union committee and a representative of the International Union or their designated representatives. The Company and the Union shall have fourteen (14) calendar days to resolve the grievance at this step.. If the grievance is not resolved at this step in a manner satisfactory to both parties, then the Union has the right and authority to submit the grievance or dispute to arbitration in the manner provided under this Article. The Union must notify the American Arbitration Association or the Federal Mediation and Conciliation Service, or the Labor Relations Connection to schedule the arbitration within thirty (30) calendar days of the expiration of the aforementioned fourteen (14) day period. If the time limits in the grievance procedure are not observed, a grievance shall be considered waived unless an extension of time is mutually agreed to in writing.

2. ARBITRATION

If a grievance involving the interpretation or application of this Agreement is not satisfactorily resolved in the grievance procedure, the Union may request the American Arbitration Association or the Federal Mediation and Conciliation Service, or the Labor Relations Connection to provide a panel of arbitrators from which the parties will select an arbitrator to hear the grievance. The arbitrator so selected shall have no power to add to, subtract from or otherwise modify the terms of this agreement. The decision of the arbitrator shall be final and binding on both parties and shall have the same force and effect as a judgement of law. His or her fee and expense shall be shared equally by the parties.

3. UNION REPRESENTATION

An employee, at their request, may have a Union Steward of their choice from their department or one designated by the Local President if there is no department steward present at an interview where it is possible that a written reprimand, disciplinary suspension or discharge involving the employee may result.

XVI. AGREEMENT

1. TERM OF AGREEMENT

This Agreement shall be effective from May 15, 2004 and shall continue in full force and effect through May 15, 2013. Either party may terminate the Agreement by giving notice in writing to the other party at least sixty (60) calendar days prior to the expiration date of the Agreement. Whenever notice to terminate this Agreement as herein provided is given, the parties agree that at least thirty (30) calendar days prior to the expiration date, joint conferences will be held for the purpose of negotiating another agreement.

2. ASSIGNMENT

This Agreement shall be binding upon the parties hereto, their successors and assignees.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

**FOR THE UNITED STEELWORKERS OF
AMERICA AFL-CIO-CLC**

Leo W. Gerard,
International President

James D. English
International Secretary-Treasurer

Andrew V. Palm,
Vice President, Administration

Leon Lynch,
Vice President, Human Affairs

Louis J. Thomas,
Director, District 14

Joseph P. Carlson,
Staff Representative

Michael J. O'Shea
Local Union Committee

Thomas E. Dagenais
Local Union Committee

Daniel J. Murphy
Local Union Committee

Peter R. Orsatti
Local Union Committee

Brent K. Alexander
Local Union Committee

Lance Hedge
Local Union Committee

Benito G. Rocca
Local Union Committee

FOR THE COMPANY

Thomas H. Robertson Director,
Labor Relations
Chief Spokesperson

Pamela Bellino Operating Center
Manager

Mike Knodler
Operations Supervisor

Joan Scheletsky
Human Resources Consultant

Ed Santry
VP - Human Resources

XVII. LETTERS OF UNDERSTANDING

1. NATIONAL HEALTH

In the event a National Health Program is established and this program has an impact on the availability, legal status or tax status of the negotiated program, the parties will meet to explore and discuss and negotiate its effect and any agreement will be made by mutual consent. The parties agree that this language will not be used to reduce the employer's commitment to provide the health benefit package or its substantial equivalent that is currently provided under this contract.

2. SAFETY AND HEALTH

During the term of the current contract, the parties agree to meet and work out the details of a comprehensive safety and health manual, including hearing conservation programs and an asbestos protection and abatement program.

The dates of such programs will be put into effect by mutual agreement. During the development of the Safety and Health Manual any programs which are required by Federal and State law or regulations will be implemented as soon as practicable, but may continue to be refined which may lead to change of the initial program upon implementation of Safety and Health Programs.

3. NEUTRALITY

From May 15, 1999 until May 15, 2004, Bay State Gas agrees to a position of neutrality in the event that a Union seeks to represent Temporary employees of B.S.G. Company.

Neutrality means that the Company shall neither help nor hinder the Union, in an organizing campaign, nor shall it comment upon the Union's motives, integrity, character or performance during a campaign. Also, the Company shall not provide any support or assistance of any kind to any person or group opposed to the Union Organization.

Where neutrality applies, the Company reserves the right to respond to employees' inquiries relating to the issue of Union organization and engage in normal communications with employees concerning their employment.

4. OFFICIAL SIGNING OF AGREEMENT

Parties agree to do this after the proofreading is completed on Company time.

5. SEXUAL HARASSMENT

Sexual Harassment as defined under Title VII of the Civil Rights Act of 1964 is an unlawful employment practice and is a violation of this Agreement. An employee who believes he or she is the victim of such harassment may file a complaint with the Equal Employment Opportunity Commission. An employee may also file a complaint with the State's applicable human rights agency covering the employee's place of employment and/or file a grievance as outlined in this Agreement.

1. SUCCESSORSHIP

This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and the words "Company" and "Union" respectively shall be construed to include their respective successors and assigns.

2. ISSUANCE AND REMOVAL OF NON-ATTENDANCE DISCIPLINARY WARNING NOTICES

Verbal warnings and written warnings will become inactive after one (1) year from the date of the violation provided there is no intervening discipline. Suspensions will become inactive after two (2) years from the date of violation provided there is no intervening discipline. Intervening discipline within the one (1) or two (2) year periods keeps all prior discipline active until the expiration of the most recently issued disciplinary notice.

8. VACANT DISTRIBUTION DEPARTMENT POSITIONS

Within two weeks of the ratification date, the Company will post the position of Lead Distribution Operator. Upon the filling of the Lead Distribution Operator position the Company will post the position of DOB/Laborer. The vacancies created by the above postings will be filled by posting jobs which include seasonal Service and Distribution department duties. The vacancies created by the awarding of the Service/Distribution positions will not be posted or filled.

9. VACANT MAINTENANCE DEPARTMENT POSITIONS

The union reserves its rights under the old and new agreements to grieve the Company's failure to fill the positions of Maintenance Chief and Utility Worker in the Maintenance Department.

Should it be necessary to reduce the number of jobs in the Service Department, the Company will consider filling the above mentioned maintenance positions with excess employees from the Service Department.

APPENDIX A WAGE RATE PROGRESSION

2004
Springfield 1.5 03-08-2004
Local 12026
Process L2UN2

	Grade	Entry Level	After 6 Months	After 12 Months	After 18 Months	Job Max 24 Months
SP2	1	\$15.55	\$16.29	\$17.05	\$17.81	\$18.60
SP2	2	\$16.41	\$17.21	\$17.98	\$18.80	\$19.64
SP2	3	\$17.36	\$18.17	\$19.01	\$19.85	\$20.69
SP2	4	\$18.26	\$19.13	\$20.02	\$20.91	\$21.85
SP2	5	\$19.29	\$20.18	\$21.07	\$21.99	\$22.94
SP2	6	\$20.85	\$21.83	\$22.79	\$23.75	\$24.75
SP2	7	\$21.54	\$22.51	\$23.53	\$24.57	\$25.61
SP2	8	\$22.72	\$23.76	\$24.85	\$25.95	\$27.06
SP2	9	\$24.05	\$25.15	\$26.31	\$27.45	\$28.65
SP2	10	\$25.78	\$26.94	\$28.06	\$29.25	\$30.45

2005 2.5 5/15/2005
Springfield
Local 12026
Process L2UN2

		Entry Level	After 6 Months	After 12 Months	After 18 Months	Job Max 24 Months
SP2	1	\$ 15.93	\$ 16.70	\$ 17.48	\$ 18.26	\$ 19.06
SP2	2	\$ 16.82	\$ 17.64	\$ 18.43	\$ 19.27	\$ 20.14
SP2	3	\$ 17.80	\$ 18.62	\$ 19.48	\$ 20.35	\$ 21.21
SP2	4	\$ 18.72	\$ 19.61	\$ 20.52	\$ 21.43	\$ 22.40
SP2	5	\$ 19.77	\$ 20.68	\$ 21.59	\$ 22.54	\$ 23.51
SP2	6	\$ 21.37	\$ 22.38	\$ 23.36	\$ 24.34	\$ 25.37
SP2	7	\$ 22.07	\$ 23.07	\$ 24.12	\$ 25.18	\$ 26.25
SP2	8	\$ 23.29	\$ 24.36	\$ 25.47	\$ 26.60	\$ 27.73
SP2	9	\$ 24.65	\$ 25.78	\$ 26.97	\$ 28.14	\$ 29.36
SP2	10	\$ 26.43	\$ 27.61	\$ 28.76	\$ 29.98	\$ 31.22

2006 2.5 5/15/2006
Springfield
Local 12026
Process L2UN2

		Entry Level	After 6 Months	After 12 Months	After 18 Months	Job Max 24 Months
SP2	1	\$ 16.33	\$ 17.11	\$ 17.91	\$ 18.72	\$ 19.54
SP2	2	\$ 17.24	\$ 18.08	\$ 18.89	\$ 19.75	\$ 20.64
SP2	3	\$ 18.24	\$ 19.09	\$ 19.97	\$ 20.86	\$ 21.74
SP2	4	\$ 19.19	\$ 20.10	\$ 21.03	\$ 21.97	\$ 22.96
SP2	5	\$ 20.27	\$ 21.20	\$ 22.13	\$ 23.10	\$ 24.10
SP2	6	\$ 21.91	\$ 22.94	\$ 23.94	\$ 24.95	\$ 26.00
SP2	7	\$ 22.63	\$ 23.65	\$ 24.72	\$ 25.81	\$ 26.91
SP2	8	\$ 23.87	\$ 24.97	\$ 26.11	\$ 27.26	\$ 28.43
SP2	9	\$ 25.26	\$ 26.43	\$ 27.65	\$ 28.84	\$ 30.10
SP2	10	\$ 27.09	\$ 28.30	\$ 29.48	\$ 30.73	\$ 32.00

2007 2.5 5/15/2007

Springfield

Local 12026

Process L2UN2

		Entry Level	After 6 Months	After 12 Months	After 18 Months	Job Max 24 Months
SP2	1	\$ 16.74	\$ 17.54	\$ 18.36	\$ 19.18	\$ 20.03
SP2	2	\$ 17.68	\$ 18.53	\$ 19.36	\$ 20.24	\$ 21.15
SP2	3	\$ 18.70	\$ 19.57	\$ 20.47	\$ 21.38	\$ 22.28
SP2	4	\$ 19.67	\$ 20.60	\$ 21.56	\$ 22.52	\$ 23.53
SP2	5	\$ 20.77	\$ 21.73	\$ 22.69	\$ 23.68	\$ 24.70
SP2	6	\$ 22.45	\$ 23.51	\$ 24.54	\$ 25.58	\$ 26.65
SP2	7	\$ 23.19	\$ 24.24	\$ 25.34	\$ 26.46	\$ 27.58
SP2	8	\$ 24.46	\$ 25.59	\$ 26.76	\$ 27.94	\$ 29.14
SP2	9	\$ 25.89	\$ 27.09	\$ 28.34	\$ 29.56	\$ 30.85
SP2	10	\$ 27.76	\$ 29.01	\$ 30.22	\$ 31.50	\$ 32.80

2008 2.0 5/15/2008

Springfield

Local 12026

Process L2UN2

		Entry Level	After 6 Months	After 12 Months	After 18 Months	Job Max 24 Months
SP2	1	\$ 17.08	\$ 17.89	\$ 18.73	\$ 19.57	\$ 20.43
SP2	2	\$ 18.03	\$ 18.90	\$ 19.75	\$ 20.65	\$ 21.58
SP2	3	\$ 19.07	\$ 19.96	\$ 20.88	\$ 21.81	\$ 22.73
SP2	4	\$ 20.06	\$ 21.01	\$ 21.99	\$ 22.97	\$ 24.00
SP2	5	\$ 21.19	\$ 22.16	\$ 23.14	\$ 24.15	\$ 25.19
SP2	6	\$ 22.90	\$ 23.98	\$ 25.03	\$ 26.09	\$ 27.19
SP2	7	\$ 23.66	\$ 24.72	\$ 25.85	\$ 26.99	\$ 28.13
SP2	8	\$ 24.95	\$ 26.10	\$ 27.30	\$ 28.50	\$ 29.72
SP2	9	\$ 26.41	\$ 27.63	\$ 28.90	\$ 30.16	\$ 31.46
SP2	10	\$ 28.32	\$ 29.59	\$ 30.82	\$ 32.13	\$ 33.45

2009 2.5 5/15/2009

Springfield

Local 12026

Process L2UN2

		Entry Level	After 6 Months	After 12 Months	After 18 Months	Job Max 24 Months
SP2	1	\$ 17.50	\$ 18.34	\$ 19.20	\$ 20.06	\$ 20.94
SP2	2	\$ 18.48	\$ 19.37	\$ 20.25	\$ 21.16	\$ 22.12
SP2	3	\$ 19.55	\$ 20.46	\$ 21.40	\$ 22.35	\$ 23.29
SP2	4	\$ 20.56	\$ 21.54	\$ 22.54	\$ 23.54	\$ 24.60
SP2	5	\$ 21.72	\$ 22.72	\$ 23.72	\$ 24.75	\$ 25.82
SP2	6	\$ 23.47	\$ 24.58	\$ 25.66	\$ 26.74	\$ 27.87
SP2	7	\$ 24.25	\$ 25.34	\$ 26.50	\$ 27.66	\$ 28.84
SP2	8	\$ 25.58	\$ 26.75	\$ 27.98	\$ 29.21	\$ 30.46
SP2	9	\$ 27.07	\$ 28.32	\$ 29.63	\$ 30.91	\$ 32.25
SP2	10	\$ 29.03	\$ 30.33	\$ 31.59	\$ 32.93	\$ 34.29

2010 2.5 5/15/2010

Springfield
Local 12026
Process L2UN2

		Entry Level	After 6 Months	After 12 Months	After 18 Months	Job Max 24 Months
SP2	1	\$ 17.94	\$ 18.80	\$ 19.68	\$ 20.56	\$ 21.46
SP2	2	\$ 18.94	\$ 19.86	\$ 20.75	\$ 21.69	\$ 22.67
SP2	3	\$ 20.04	\$ 20.97	\$ 21.93	\$ 22.91	\$ 23.88
SP2	4	\$ 21.08	\$ 22.08	\$ 23.10	\$ 24.13	\$ 25.22
SP2	5	\$ 22.26	\$ 23.29	\$ 24.31	\$ 25.37	\$ 26.47
SP2	6	\$ 24.06	\$ 25.19	\$ 26.30	\$ 27.41	\$ 28.56
SP2	7	\$ 24.85	\$ 25.98	\$ 27.16	\$ 28.35	\$ 29.56
SP2	8	\$ 26.22	\$ 27.42	\$ 28.68	\$ 29.94	\$ 31.22
SP2	9	\$ 27.75	\$ 29.03	\$ 30.37	\$ 31.68	\$ 33.06
SP2	10	\$ 29.75	\$ 31.09	\$ 32.38	\$ 33.76	\$ 35.14

2011 2.5 5/15/2011

Springfield
Local 12026
Process L2UN2

		Entry Level	After 6 Months	After 12 Months	After 18 Months	Job Max 24 Months
SP2	1	\$ 18.39	\$ 19.27	\$ 20.17	\$ 21.07	\$ 22.00
SP2	2	\$ 19.42	\$ 20.36	\$ 21.27	\$ 22.23	\$ 23.24
SP2	3	\$ 20.54	\$ 21.49	\$ 22.48	\$ 23.48	\$ 24.47
SP2	4	\$ 21.60	\$ 22.63	\$ 23.68	\$ 24.73	\$ 25.85
SP2	5	\$ 22.82	\$ 23.87	\$ 24.92	\$ 26.01	\$ 27.13
SP2	6	\$ 24.66	\$ 25.82	\$ 26.96	\$ 28.09	\$ 29.28
SP2	7	\$ 25.47	\$ 26.63	\$ 27.84	\$ 29.06	\$ 30.30
SP2	8	\$ 26.87	\$ 28.11	\$ 29.39	\$ 30.69	\$ 32.00
SP2	9	\$ 28.44	\$ 29.75	\$ 31.13	\$ 32.47	\$ 33.88
SP2	10	\$ 30.50	\$ 31.87	\$ 33.19	\$ 34.60	\$ 36.02

2012 2.0 5/15/2012

Springfield
Local 12026
Process L2UN2

		Entry Level	After 6 Months	After 12 Months	After 18 Months	Job Max 24 Months
SP2	1	\$ 18.76	\$ 19.65	\$ 20.57	\$ 21.49	\$ 22.44
SP2	2	\$ 19.80	\$ 20.76	\$ 21.70	\$ 22.68	\$ 23.70
SP2	3	\$ 20.95	\$ 21.92	\$ 22.93	\$ 23.95	\$ 24.96
SP2	4	\$ 22.04	\$ 23.08	\$ 24.16	\$ 25.23	\$ 26.36
SP2	5	\$ 23.27	\$ 24.34	\$ 25.42	\$ 26.53	\$ 27.67
SP2	6	\$ 25.16	\$ 26.34	\$ 27.50	\$ 28.66	\$ 29.86
SP2	7	\$ 25.98	\$ 27.16	\$ 28.39	\$ 29.64	\$ 30.90
SP2	8	\$ 27.41	\$ 28.67	\$ 29.98	\$ 31.31	\$ 32.64
SP2	9	\$ 29.01	\$ 30.35	\$ 31.75	\$ 33.12	\$ 34.56
SP2	10	\$ 31.11	\$ 32.51	\$ 33.86	\$ 35.29	\$ 36.74

APPENDIX B

CLASSIFICATIONS BY WAGE GRADE

GRADE 1

None

GRADE 2

Custodian
Distribution Operator C
Distribution Operator C/Storekeeper
Electrician Helper
Garage Attendant
Operator/Driver C

GRADE 3

Equipment Operator C
Governor Maintenance C
Meter Reader/Collector B
Meter Repair C
Operator/Driver/Corrosion Maintenance C
Production Mechanic C
Service Technician C

GRADE 4

Fitter Helper
Meter Reader
Meter Repair Helper
Stores Attendant
Utility Worker, Gas Operations

GRADE 5

Governor Maintenance B
Meter Repair B
Welders Helper

GRADE 6

Utility Worker-General
Distribution Operator B
Distribution Operator B/Corrosion Maintenance
Distribution Operator B/Storekeeper

Equipment Operator B
Gas Utility Worker
Lead Utility Worker
Meter Reader/Collector A
Operator/Driver B
Production Mechanic B
Service Technician B
Equipment Op B/Piper

GRADE 7

Governor Maintenance A
Lead Storekeeper
Maintenance Assistant
Meter Repair A

GRADE 8

Lead Metscan Installer
Auto Mechanic
Equipment Operator A
Operator/Driver/Corrosion Maintenance A
Production Assistant
Production Mechanic A
Propane Plant Operator
Service Technician A

GRADE 9

Lead Fitter
Lead Maintenance Mechanic
Service Technician A A/C
Welder
Equipment Op/Piper

GRADE 10

Lead Auto Mechanic
Lead Distribution Operator
Lead Electrician
Lead Governor Maintenance Mechanic
Lead Production Mechanic
Lead Service Technician
Lead Pipefitter
Lead Welder

**APPENDIX C
OPERATING CLASSIFICATION IN RELATED JOB SERIES
RELATIONSHIPS BY GRADE AND FUNCTION
DISTRIBUTION**

GR

1				
2	Oper/Driver C Dist Op C Dist Op C/Corr Maint Dist Op C/Serv Cutoff Dist Op C/Storekeeper			
3		Oper/Driver/ Serv Cutoff B	Oper/Driver/ Corr Maint C	Equipment Operator C
4				
5				
6	Oper/Driver B Dist Op B Dist Op B/Corr Maint Dist Op B/Serv Cutoff Dist Op B/Storekeeper Equip Op B/Piper	Oper/Driver Serv Cutoff A	Oper/Driver/ Corr Main B	Equipment Operator B
7				
8			Oper/Driver Corr Maint A	Equipment Operator A
9	Equip Op/Piper			
10				

**APPENDIX C
OPERATING CLASSIFICATION IN RELATED JOB SERIES
RELATIONSHIPS BY GRADE AND FUNCTION**

GR.	GAS SUPPLY		CUST SERVICE		CUST RELATIONS
1					
2					
3	Governor Maint. C	Prod Mech C	Service Tech C	Meter Repair	Meter Reader/ Collector B
4					
5	Governor Maint B			Meter Repair B	
6		Prod Mech B	Service Tech B		Meter Reader/ Collector A
7	Governor Maint. A			Meter Repair A	
8		Prod Mech A	Service Tech A		

9
10

APPENDIX D

PROGRESSION RELATED JOB SERIES

CLASSIFICATION:

Equipment Operator
Production Mechanic
Service Technician
Operator/Driver/Corrosion/Maintenance

"C" to "B" to "A" Progression

Progression	51504	51505	51506	51507	51508	51509	51510	51511	51512
Grade 3 Min.	17.36	17.80	18.24	18.70	19.07	19.55	20.04	20.54	20.95
6 Months	18.17	18.62	19.09	19.57	19.96	20.46	20.97	21.49	21.92
Grade 6 - 12 months	22.79	23.36	23.94	24.54	25.03	25.66	26.30	26.96	27.50
18 Months	23.75	24.34	24.95	25.58	26.09	26.74	27.41	28.09	28.66
24 Mos. Grade 8 Max.	27.06	27.73	28.43	29.14	29.72	30.46	31.22	32.00	32.64

Meter Reader/Collector
Operator/Driver/Service Cutoff

"C" to "A" Progression

Progression	51504	51505	51506	51507	51508	51509	51510	51511	51512
Grade 3 Min.	17.36	17.80	18.24	18.70	19.07	19.55	20.04	20.54	20.95
6 months	18.17	18.62	19.09	19.57	19.96	20.46	20.97	21.49	21.92
12 Months	19.01	19.48	19.97	20.47	20.88	21.40	21.93	22.48	22.93
18 months	19.85	20.35	20.86	21.38	21.81	22.35	22.91	23.48	23.95
24 Mos. Grade 6 Max.	24.75	25.37	26.00	26.65	27.19	27.87	28.56	29.28	29.86

Governor Maintenance
Meter Repair

"C" to "B" to "A" Progression

Progression	51504	51505	51506	51507	51508	51509	51510	51511	51512
Grade 3 Min.	17.36	17.80	18.24	18.70	19.07	19.55	20.04	20.54	20.95
6 months	18.17	18.62	19.09	19.57	19.96	20.46	20.97	21.49	21.92
Grade 5 - 12 months	21.07	21.59	22.13	22.69	23.14	23.72	24.31	24.92	25.42
18 Months	21.99	22.54	23.10	23.68	24.15	24.75	25.37	26.01	26.53
24 Mos. Grade 7 Max	25.61	26.25	26.91	27.58	28.13	28.84	29.56	30.30	30.90

Operator/Driver
Distribution Operator
Distribution Operator/Corrosion Maintenance
Distribution Operator/Service Cutoff
Distribution Operator/Storekeeper

"C" to "B" Progression

Progression	51504	51505	51506	51507	51508	51509	51510	51511	51512
Grade 2 Min.	16.41	16.82	17.24	17.68	18.03	18.48	18.94	19.42	19.80
6 Months	17.21	17.64	18.08	18.53	18.90	19.37	19.86	20.36	20.76
12 Months	17.98	18.43	18.89	19.36	19.75	20.25	20.75	21.27	21.70
18 Months	18.80	19.27	19.75	20.24	20.65	21.16	21.69	22.23	22.68
24 Mos. Grade 6 Max	24.75	25.37	26.00	26.65	27.19	27.87	28.56	29.28	29.86

Equipment Operator/Piper

"B" to "A" Progression

Progression	51504	51505	51506	51507	51508	51509	51510	51511	51512
Grade 6 Min.	20.85	21.37	21.91	22.45	22.90	23.47	24.06	24.66	25.16
6 Months	21.83	22.38	22.94	23.51	23.98	24.58	25.19	25.82	26.34
12 Months	22.79	23.36	23.94	24.54	25.03	25.66	26.30	26.96	27.50
18 Months	23.75	24.34	24.95	25.58	26.09	26.74	27.41	28.09	28.66
24 Mos. Grade 9 Max	28.65	29.36	30.10	30.85	31.46	32.25	33.06	33.88	34.56

APPENDIX E
CHECK-OFF AUTHORIZATION
UNITED STEELWORKERS OF AMERICA, AFL-CIO-CLC

Pursuant to this authorization and assignment,, please deduct from my pay each month, while I am in employment within the collective bargaining unit in the Company, monthly dues, assessments and (if owing by me) an initiation fee each as designated by the International Secretary-Treasurer of the Union, as my membership dues in said Union.

The aforesaid membership dues shall be remitted promptly by you to Walter J. Burke, or his successor, International Secretary Treasurer of the United Steelworkers of America, or its successor, 5 Gateway Center, Pittsburgh, Pennsylvania 15222.

This assignment and authorization shall be effective and cannot be canceled for a period of one (1) year from the date appearing above or until the termination date of the current collective bargaining agreement between the Company and the Union, whichever occurs sooner.

I hereby voluntarily authorize you to continue the above authorization and assignment in effect after the expiration of the shorter of the periods above specified, for further successive periods of one (1) year from such date. I agree that this authorization and assignment shall become effective and cannot be canceled by me during any of such years, but that I may cancel and revoke by giving to the appropriate management representative of the Plant in which I am employed, an individual written notice signed by me and which shall be postmarked or received by the Company within fifteen (15) days following the expiration of any such year or within fifteen (15) days following the termination date of any collective bargaining agreement between the Company and the Union covering my employment if such date shall occur within one of such annual periods. Such notice of revocation shall become effective respecting the dues for the month following the month in which such written notice is given; A copy of any such notice will be given by me to the Financial Secretary of the Local Union.

Signature _____ Clock No _____

Address _____

Employed By _____

Social Security No. _____ Date _____

APPENDIX F ATTENDANCE IMPROVEMENT PROGRAM

Attendance

The efficient operation of the Company requires that employees consistently maintain satisfactory attendance and punctuality.

The most important single rule employees should remember is that they must notify their supervisor as soon as they know they will be late, absent or have to leave work early. Notice does not excuse the absence. It does, however, permit the supervisor to schedule work around the absence and will be considered a less serious infraction than absence without notice.

Attendance records are evaluated on the number of days absent from work.

All days taken out of work, including excused and unexcused absences, are used in determining total days out of work. However, excluded from this total are days on FMLA approved leave of absence, FMLA approved intermittent leave of absence, jury duty, union business, bereavement, vacation and holidays.

In determining "excessive" absenteeism, all days absent from work are added together. If the total number of days for that employee in any three (3) month period equals three (3) days or more in the period for that employee, that is considered excessive absenteeism under these guidelines.

Under this program, when an employee's record indicates excessive absenteeism in accordance with the guidelines above, the goal of the Company is to restore that employee's attendance to a satisfactory level. The company will implement a plan of progressive discipline, as outlined below, to ensure the successful attainment of this goal.

Consultation

The Company recognizes that typically, excessive absenteeism is a symptom of a personal problem the employee is experiencing which may be affecting the employee's attendance. The supervisor will consult with the employee and help will be offered. The Employee Assistance Program (EAP) is available free of charge to assist employees with personal, marital, financial, substance abuse or other problems which affect the employees attendance at work.

Verbal Warning

If an employee's attendance record continues to be unsatisfactory following or within a three (3) month period of time following the consultation, the employee will be warned that formal written discipline will follow unless that employee's attendance shows an immediate, substantial and sustained improvement. The employee will be made aware

once again of the Employee Assistance Program and urged to take advantage of it if necessary.

Written Warning

After a verbal warning, if an employee's attendance record continues to be unsatisfactory following or within a three (3) month period of time, and the employee's absence record equals or exceeds the three (3) days, he or she will be given a written warning. The employee will be warned that further disciplinary action up to and including termination of employment will follow unless attendance shows immediate, substantial and sustained improvement. The employee will once again be made aware of the Employee Assistance Program and urged to take advantage of it if necessary.

Suspension (1) Day

After the written warning, if the employee's attendance record continues to be unsatisfactory following or within a three (3) month period of time, and the employee's absence record equals or exceeds the three (3) days, he or she will be given a one (1) day unpaid suspension. The employee will be warned that discharge will follow in the absence of immediate, substantial and sustained improvement. The employee will once again be made aware of the Employee Assistance Program and urged to take advantage of it if necessary.

Suspension (3) Day

After the one (1) day suspension, if the employee's attendance record continues to be unsatisfactory following or within a three (3) month period of time, and the employee's absence record equals or exceeds the three (3) days, he or she will be given a three (3) day unpaid suspension. The employee will be warned that discharge will follow in the absence of immediate, substantial and sustained improvement. The employee will once again be made aware of the Employee Assistance Program and urged to take advantage of it if necessary.

Termination of Employment

After the three (3) day unpaid disciplinary suspension, a monthly review will take place. If the employee's attendance record equals or exceeds one (1) day absent based on the standards described above, such employee will be suspended pending a decision to terminate employment. The decision to terminate an employee's employment will be made within seven (7) calendar days following such suspension.

Job Abandonment

Any employee who fails to report to work and fails to provide notice of such absence for a period of three (3) consecutive work days shall be considered to have voluntarily abandoned his or her position. In addition, if an employee fails to return to work after the

expiration of a leave-of-absence, that employee will be considered to have voluntarily abandoned his or her position.

ISSUANCE AND REMOVAL OF ATTENDANCE WARNING NOTICES

Verbal warnings, written warnings, and suspensions will become inactive after one (1) year from the date of the violation provided there is no intervening discipline. Intervening discipline within the one (1) year period keeps all prior discipline active.

APPENDIX G

BAY STATE GAS COMPANY MEDICAL AND PERSONAL LEAVE OF ABSENCE POLICY

1. PURPOSE:

The purpose of this policy is to specify medical and personal leave-of-absence provisions which employees may be entitled to based on their length of continuous service with the Company. Medical leaves are available in accordance with this policy for the employee's own serious health condition which renders the employee unable to perform the essential functions of his or her job.

2. SCOPE: This policy extends to Local 12026

3. POLICY & PRACTICE:

Employees who have completed ninety (90) days of employment but who have less than two (2) years of service may be granted a medical leave-of-absence with additional extensions, if necessary, which will be limited to one (1) month of medical leave time for each month of service but not to exceed six (6) months, whichever is the lesser,

Employees with two (2) or more years of service but less than five (5) years of service, may be granted a medical leave with additional extensions, if necessary, of up to nine (9) total months.

Employees with five (5) or more years of service may be granted a medical leave with additional extensions, if necessary, of up to twelve (12) total months.

Employees who are absent from work because of personal or work related injury or illness for more than five (5) consecutive work days must apply for a medical leave-of-absence for all days out of work after the fifth consecutive work day of absence.

Employees who have used medical leave time in accordance with this policy, will restore such time used by receiving one (1) month of restoration credit for each month of work

following the end of that employee's medical leave-of-absence, up to the maximum credit allowed based on the employees service with the company as described above.

Additionally, medical leaves which fall under the jurisdiction of this policy may also qualify under the Federal Family and Medical Leave Act. When such is the case, time used under this policy will run concurrently with any FMLA leave time which is available. A separate policy exists for leaves which may qualify under FMLA.

During medical leaves under the Bay State Gas medical leave policy, employees are responsible for contributions to all benefit plans as if actively at work. If an employee fails to return to work for reasons other than for a substantiated continued health condition or circumstances beyond their control, the employee may be required to repay Bay State Gas Company for all health premiums paid on the employees behalf during the leave.

Employees who qualify for medical leave under this policy, upon their return to work will be restored to the same or an equivalent position after the leave, except in certain cases where the person has been designated as a "key employee" or where the employment would not have continued had the employee not been on leave. Employees returning from leave may be required to supply a "fitness for duty" release from their attending physician if the leave was for their own health condition.

Employees on medical leave of absence are considered unable to perform essential job functions, and as such are not allowed to perform work outside of the Bay State Gas Company workplace during an approved leave.

The Company may require employees requesting medical leave or returning to work from medical leave to be examined by a physician designated by the Company. Any such examinations will be paid for by the Company.

4. PROCEDURE:

Employees applying for a medical leave-of-absence must be under the direct care of a physician and must submit medical certification directly to the Bay State Gas Company Human Resources Department at their location. Employees may be required to undergo a periodic medical examination by a physician designated by Bay State Gas Company in order to ascertain the employee's condition.

For medical leaves, the Company will require medical certification for an employees own serious health condition prior to the start of the leave unless the condition requiring medical leave is unforeseeable in which case such medical certification must be provided within fifteen (15) days of the request for leave, or as soon as practicable. Upon proper submission of medical documentation in support of a medical leave request, employees will be placed on medical leave in accordance with the attending physicians instructions. Employees will be advised in writing (see appendix A) of their status including the beginning and ending dates of their medical leave and the procedures for returning to

work or extending their medical leave.

Medical leaves of absence which qualify under this policy may be covered by certain insurance programs such as short-term-disability (STD), long-term-disability (LTD), workers' compensation or disability pension. When it is not covered by one of these insurance programs, leaves will be unpaid. However, unused vacation time must be used prior to going on leave without pay.

PERSONAL LEAVE-OF-ABSENCE

A personal leave-of-absence without pay for a period normally not to exceed sixty (60) days may be granted by the Company for urgent personal reasons to employees with at least six (6) months of continuous employment. Requests for personal leave-of-absence must be made in writing to the employee's supervisor and the unit's senior human resources officer. Each request will be decided on its own merit at the sole discretion of the Company.

LENGTH OF SERVICE

Length of continuous service for the purpose of this policy shall be computed from the original date of hire.

Length of continuous service will be broken by the following:

Absence from work for more than three (3) consecutive days without notice to the Company;
Voluntary termination or resignation by the employee;
Discharge for cause'
Failure to return to work upon the expiration of an approved leave-of-absence or the extension of an approved leave-of-absence.

APPENDIX H LNG SHIFT PAY PRACTICE

1. LNG plant operators when assigned to the twelve (12) hour shift schedule (so-called "on-shift") by the company, will continue the five (5) employee rotation used in prior years.
2. Employees will be paid overtime after twelve (12) hours in a workday or forty (40) hours in a workweek. Employees will not be paid meal allowances when working the twelve- (12) hour shift schedule.
3. When on the twelve (12) hour shift schedule, but on a short schedule week, i.e., scheduled to work twenty-four (24) or thirty-two (32) hours, any hours worked in excess of such short schedule will be paid at time and one half.

4. No vacations will normally be permitted during winter around the clock coverage. If around the clock coverage is required for non-winter periods, such as a summer liquification run, normal vacations will be allowed in accordance with Article VIII. During twelve (12) hour shift periods, employees on their spare week, would continue to be able to take vacation time following approval from their supervisor.
5. Saturday & Sunday premiums will be paid for scheduled work on those days. All holidays, jury duty, etc. will be paid as twelve (12) hour days when the employee is on a twelve- (12) hour work schedule. When working a holiday, pay will be at double time for all hours worked. A twelve- (12) hour holiday not worked is to be paid or if not paid, may be taken at another time as a paid holiday. If an employee is not required to work a holiday but is on the twelve (12) hour shift schedule, the employee will be paid twelve (12) hours of holiday pay for such holiday.
6. If an employee does not work two hundred (200) hours in the five- (5) week rotation because shift work has been discontinued, the employee will be allowed to work to a schedule to make up the 200 hours normally worked in a five-week rotation.
7. Employees on the twelve (12) hour shift rotation and enrolled in the 401K plan, will continue to contribute to the plan based on the provisions of the plan document.
8. When employees are assigned to Gas Operations to assist the LNG operators on shift, the newly assigned employees will have the option to work either eight or twelve hour shifts. This provision would apply in situations where unanimous approval to work the eight-hour shift exists among the affected employees. Furthermore, adequate personnel coverage must exist and no additional labor cost would be incurred by the Company.

ARTICLE I INTRODUCTION

1. Agreement

Agreement made and entered into this 27th day of February, 2003, by and between BAY STATE GAS COMPANY, a Massachusetts corporation, hereinafter referred to as the Company, and the UTILITY WORKERS UNION OF AMERICA, AFL-CIO, on behalf of LOCAL UNION NO. 273 and the Clerical/Technical employees of the Company as defined in paragraph 1 of Article II herein, who are now or may hereafter become members of said local Union, hereinafter called the Union.

2. Purpose of Agreement

The parties making this agreement recognize that the best interest of the employees, the Union and the Company are in the long run largely identical, and that all will benefit from mutual understanding of the terms and conditions of employment, and the advantages and obligations inherent in the relationship between the employer and the employees. Believing that such mutual understanding will assure the orderly operation of the industrial process, the parties have entered into this agreement.

Both the Company and the Union desire to promote harmony and efficiency in the work force, so that the Company may obtain economic advantages consistent with its obligation to at all times provide an adequate and uninterrupted supply of gas service to the customers it serves.

In consideration of the mutual covenants and agreements hereinafter set forth, it is agreed as follows:

ARTICLE II RECOGNITION

1. Union Recognition and Bargaining Unit

With the exception of the mutually agreed upon positions of Executive Secretary, Interruptible Sales Analyst, and Administrative Clerk, Public Relations, the Company recognizes the Union as the exclusive representative for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment of all employees of the Company in the Clerical/Technical Unit, certified by the National Labor Relations Board in Case No. 1-RC-19929 on March 29, 1993.

2. Exclusions from Bargaining Unit

The provisions of this agreement shall apply to all employees in the unit described above. The provisions of this agreement shall not apply to executives, officials, production and maintenance employees, temporary employees, sales representatives, student employees and supervisory employees with authority to hire, promote, discharge, discipline, or otherwise effect changes in the status of employees or effectively recommend such action.

ARTICLE III RESPONSIBILITY

1. Responsibility of Management

The Company shall have, among its functions of management the sole right to hire new employees from whatever source it may desire to direct the work force, to assign work, to discipline or discharge for just cause, to classify employees, to reclassify employees, to transfer employees, to lay off employees, and to require employees to observe reasonable Company plant safety rules and regulations, all subject to the provisions of this Agreement.

2. Responsibility of Union

In consideration of the commitments assumed by the Company in this Agreement, the Union agrees that its Officers, Agents, and Members will cooperate with the efforts of the Company to maintain high efficiency, productivity and competence in the workforce and to improve their skills and abilities.

The Union agrees that it will encourage its members to suggest improvements in practices and procedures and to accept changes introduced to: improve service; increase individual and group productivity. The Union agrees to support the efforts of the Company to provide economical and quality service to consumers and to encourage work assignments which fully utilize the skills and time of individual members.

3. Responsibility of Employees

a. Employees shall individually and collectively work so as to maximize operating efficiency and individual and group productivity. They shall make every effort to protect the property of the Company and represent the best interest of the Company in their relationships with consumers and the public.

b. Employees shall not engage in work for pay on their own or for another employer when there may be a conflict of interest between the services provided by the Company and the activities of the employee.

4. No Strike - No Lock-Out

1. Recognizing that the Company as a public utility is under a paramount duty to provide continuous service to the public, the parties agree that there will be no lockouts of the employees by the Company, and there will be no strikes during the term of this agreement, including slowdowns, work stoppages, suspensions of work, sympathy strikes, or any other action which directly or indirectly, totally or partially, restricts, curtails, interrupts, or interferes with the Company's work (hereafter "strike").

2. The parties agree that the Company has the right to take disciplinary action, including discharge, against any employee who engages in a strike prohibited by paragraph 1.

3. The Company recognizes that there may be strikes not authorized by the Union and that there shall be no liability for the Union in such a case, if the following conditions are met:

- (a) The Union shall not, directly or indirectly, authorize, sanction, ratify, encourage, or acquiesce in the strike;
- (b) The Union's officers and other designated agents, including stewards, shall not participate directly or indirectly in the strike; and
- (c) The Union shall provide reasonable cooperation to the Company, upon request, in attempting to end the strike.

4. The employees in the bargaining unit may refuse to cross a picket line at the Company facility where such employees are assigned to work during the term of this Agreement in the event that such picket line is established by the Union as a result of a lockout of Company employees from the same union and provided the Union has offered to extend the expired collective bargaining agreement for at least thirty (30) days with a further agreement that it will give the Company fourteen (14) days notice if it chooses not to agree to another extension of such agreement, and provided neither of the following has occurred:

- (a) There have been no acts or threats of violence or vandalism, whether or not caused by the Union or any of its members, which have in whole or in part caused the Company to lock out the employees of the different bargaining unit.
- (b) There have been no slowdowns by employees in the different bargaining unit which in whole or in part has caused the Company to lock out such employees.

5. The Union's officers and other designated agents, including stewards, shall not participate directly or indirectly in a strike of a unit of which they are not a member.

5. Non-Discrimination

Neither the Company nor the Union will discriminate against any employee because of race, creed, color, national origin, age, sex or being handicapped, disabled veteran or Vietnam Era veteran.

6. Gender

All reference as to the masculine gender in this Agreement shall also be construed to refer to the feminine gender where applicable.

ARTICLE IV UNION MEMBERSHIP

1. Maintenance of Membership

All present employees to whom this agreement applies and all employees hereafter hired and subject to this agreement shall, as a condition of employment maintain membership in the Union in good standing through payment of initiation fees and periodic dues uniformly required for membership. The term "periodic dues" does not include fines.

2. Eligibility

In each case the obligation of Section 1 shall be effective on and after the 30th day following the employee's date of hire or the effective date of this agreement, whichever is later.

3. Exclusions

If the Union refuses to accept any employee who is an applicant for membership in the Union, or suspends or expels any member of the Union who is an employee of the Company for any reason other than failure to pay initiation fees or periodic dues, uniformly required for membership, such action by the Union shall not affect such employee's employment status or require any action by the Company against such employee.

4. Failure to Maintain Membership

If an employee who is required to meet the financial obligations to the Union under Section 1 above fails to do so, and the Union desires the Company to take action, the Union shall notify the Company by registered mail stating that the named employee has not paid the initiation fees or dues or both. Upon receipt of this letter, and, in no event, more than seven (7) days after its receipt, the Company shall inform the employee in writing that unless he/she tenders to the Union such initiation fees or dues, or both, as the case may be, his/her employment with the Company will be terminated as of the 30th day from the date such employee is so informed by the Company. If there appears to be a bona fide dispute whether termination of such employee's employment is required under this article, either the Company or the Union may submit such issue to arbitration under Article XIV, in which event the termination of employment required hereunder shall be suspended until ten (10) days after receipt of the award of the Board of Arbitration.

5. Regular Employee

a. The Company and the Union mutually agree that for the purpose of this Agreement, the term "Regular Employee" shall include any employee who has been employed by the Company continuously for a period of nine (9) months, and has successfully completed the probationary period, and has completed at least 1,000 hours of work.

b. Company seniority will be used only for the retention of benefits. For all other purposes covered in this collective agreement, bargaining unit seniority will be used.

c. Former members of the Bargaining Unit who return to the Bargaining Unit will be credited with former Bargaining Unit seniority.

6. Probationary Employee

The term "Probationary Employee" shall include any employee who has been employed by the Company for a period of less than nine (9) consecutive months and has not completed 1,000 hours of work.

The Company will determine the suitability of a probationary employee's acceptance as a regular employee. If such employee is released by the Company for any reason during the probationary period such action will not be subject to the Grievance Procedure or Arbitration.

7. Collection of Dues and Fees

(a) The Company agrees to deduct from earned wages and remit monthly to the office of the Union at 815 Sixteenth Street, N.W., Washington, D.C. 20006, dues as authorized by Local No. 273 in writing of those employees who are members of the Union, and not exempt from the provisions of this agreement, and who individually authorize such deduction in writing. The deduction shall be made on account of earned wages during each payroll week. A copy of the approved form of authorization follows at subsection (b) of this article and is hereby made a part of this agreement.

(b) To Bay State Gas Company:

As my employer, you are authorized and directed to deduct from my earned wages each week here afterward my Union dues and remit the same to the Office of Utility Workers of America, AFL-CIO, 815 Sixteenth Street, N.W., Washington, D.C. 20006. This is a voluntary authorization and direction, valid during the terms of the existing contract between Bay State Gas Company and Utility Workers Union of America, AFL-CIO, and any renewal or extension thereof unless and until revoked by me in writing.

Dated:

Witness

Employee's Signature

**ARTICLE V
HOURS OF WORK**

1. Work Week

This article defines the normal hours of work and shall not constitute or be considered as a guarantee of any number of hours per week or per day. For administrative purposes, it is understood that the work day begins at 12:01 AM and the work week begins Sunday at 12:01 AM.

Full Time Employees

An employee scheduled for thirty-five (35) hours or more per work week shall be considered full time.

Part-Time Employees

An employee scheduled for less than thirty-five (35) hours per work week shall be considered part-time.

Temporary Employees

Before employing a temporary employee, the Company will post a temporary opportunity to solicit employee interest. In order to qualify for a temporary assignment, the position must provide the employee the opportunity to work within a higher wage grade.

2. Work Schedules

The Company may vary or change the scheduled hours and work week as often as it deems advisable or necessary. The Company will notify employees of schedule changes at least twenty-four (24) hours before they take effect.

3. Lunch Period

Employees scheduled to work six (6) hours or more per day will be allowed a meal period of thirty (30) minutes. This time is unpaid.

4. Work Break

Employees scheduled for up to six hours per day will be allowed a fifteen (15) minute work break.

Employees scheduled for six or more hours per day will be allowed two fifteen (15) minute work breaks.

Breaks will be scheduled by department supervisors.

5. Union Leave of Absence

The Company will grant up to two (2) Local Union officials or designated members time off without pay to attend National Union conventions, conferences and seminars upon request by the Local Union President, in writing to the Company, provided that the work load and staffing are at levels which can accommodate their absences at no additional cost to the Company.

6. Unpaid Leave of Absence

An employee who has completed their probationary period, may be granted an unpaid leave up to three months if the need is justified and the absence of the employee will not adversely affect the efficiency of the operation and the intent of the employee is to return to the Company at the end of the leave.

The request for an unpaid leave of absence will be made in writing to the employee's immediate supervisor and be approved by the designated Human Resources executive. Approved unpaid leaves will be granted for a specific period, not to exceed three months. Benefits will be continued during an approved leave and employees must continue to contribute toward the cost of any benefit plans that require employee contributions during the leave of absence.

ARTICLE VI WAGES

1. Wage Determination

(a) **Wage Level** - The Company provides a wage schedule, which pays each employee a fair wage for work performed. Wage differentials between jobs are based on differences in responsibilities, skills and duties, as determined by evaluation.

(b) **Wage Grades** - Jobs of the same relative value are grouped together into Wage Grades. The grade determines the rate of pay for all jobs included in the grade (Appendix B). In the event a new job is established or a substantial change is made in the duties of an existing job, the grade for the new or changed job shall be established by the Company using the A.A.I.M Job Evaluation System.

(c) **Wage Ranges** - Wage ranges are established for each wage grade. A minimum and a maximum rate applies to each Wage Grade (Appendix A).

2. Wage Administration

(a) The Company establishes job classifications and the combination of duties that make up a job classification and also determines whether or not a classification shall be filled and how many individuals are required in a classification at any time.

(b) Individuals within a classification are required to perform all duties included in the classification.

(c) Employees within a grade progress by steps from the minimum rate to the maximum rate according to the length of time spent on the job.

(d) In determining length of time worked within a classification or a grade, any absence of more than three months shall be added to the time required to be eligible for the next step or grade stipulated in the progression within a related job sequence.

(e) An employee permanently assigned to a higher or lower wage grade as a result of a job bid or bump shall be paid the step rate nearest their current rate and continue the established progression of the new grade. The new rate shall not exceed the maximum rate for the new position.

3. General Wage Increase

Wages shall be paid employees in accordance with Classifications, Wage Grades and Wage Schedules shown in Appendices A and B, attached hereto and made a part hereof.

- A. Effective March 1, 2003, employees shall receive a 2 ½ % base increase to their current wage per hour rate.
- B. Effective February 1, 2004, employees shall receive a 2-½% base increase to their wage per hour rate.
- C. Effective February 1, 2005, employees shall receive a 2-1/2% base increase to their wage per hour rate.
- D. Effective February 1, 2006 employees shall receive a 2-1/2% base increase to their wage per hour rate.
- E. Effective February 1, 2007 employees shall receive a 2-1/2% base increase to their wage per hour rate.
- F. Effective February 1, 2008 employees shall receive a 2-3/4% base increase to their wage per hour rate.

4. Temporary Transfer

When employees are temporarily assigned to higher classifications, they will receive the minimum rate of the grade or the rate next above his/her regular rate in the higher grade, whichever is higher, for each continuous hour worked.

An employee temporarily assigned to a lower wage grade for the convenience of the Company shall continue to receive his/her regular rate.

5. Direct Deposit/Bi Weekly Pay

From the ratification date of this agreement to January 1, 2004, all Local 273 clerical/technical bargaining unit employees will be encouraged by the Company to open direct deposit accounts for the deposit of their pay. After January 1, 2004, all employees, if so requested by the Company, will have direct deposit accounts available to the Company for the electronic deposit of their pay.

After January 1, 2004, and after providing each employee with ninety (90) days written notice, the Company may pay employees on a bi-weekly basis (every other Friday) if the Commonwealth of Massachusetts permits such bi-weekly payments for the payment of wages.

ARTICLE VII ALLOWANCES

1. Overtime

One and one-half times the regular hourly rate shall be paid to all employees for hours worked in excess of forty hours in any one week, exclusive of any hours worked on a holiday for which payment is to be made in accordance with the provisions of Article IX.

Overtime rate of pay shall not be applied more than once to any particular hour worked.

2. Overtime Distribution

All emergency and overtime work shall be distributed equally among the employees performing the work, insofar as practicable. Employees refusing overtime will be charged as having worked the overtime for the purposes of overtime equalization.

3. Overtime Compensation

Employees shall work as scheduled and as required. When overtime obligations are not met but must be fulfilled, the employee having the lowest number of overtime hours worked within the classification and within the department, will be required to work.

4. Saturday and Sunday Work

A full time regular employee whose work schedule includes Saturday or Sunday as a regular workday within his/her regular workweek shall be paid in addition to his/her regular hourly rate, an allowance for all hours worked as follows:

Schedule	Effective 04/01/03
Saturday	\$4.50
Sunday	\$6.85

The premium provided for Saturday work in this section shall be included in the base rate for computing any daily overtime earned by employees whose normal workweek includes Saturday.

The premium provided for Sunday work in this section shall in no event be applicable to any hours worked for which overtime is payable.

5. Shift Work and Premiums

(a) Shift hours in effect will not be changed unless for good and sufficient cause by mutual agreement. It is further understood that a request for change will not be unreasonably denied by either party.

(b) Shifts are defined as follows:

If a majority of the hours of a scheduled shift fall within 8:00 A.M. to 4:00 P.M., the shift will be considered the first shift.

If a majority of the hours of a scheduled shift fall within 4:00 p.m. to 12:00 midnight, the shift will be considered the second shift.

If a majority of the hours of a scheduled shift fall within 12:00 midnight to 8:00 a.m., the shift will be considered the third shift.

All of the shifts described above will be considered to be within the twenty-four (24) hour period normally included in the calendar day.

Note: Shift changes were negotiated as follows, and will change at a later date:

12:00 midnight to 8:00 am will be 1st shift

8:00 am to 4:00 pm will be 2nd shift

4:00 pm to 12:00 midnight will be 3rd shift

A full time regular employee regularly scheduled to work on the second shift and third shift shall be paid, in addition to his regular hourly rate, a premium for all hours worked as follows:

	<u>04/01/03</u>	<u>04/01/05</u>
Second Shift	\$ 1.50	\$ 1.60
Third Shift	\$ 1.60	\$ 1.70

(c) Such shift premiums shall not apply to wages continued during disability or following an industrial accident. They shall apply, however, to vacation and holiday allowances.

If an employee is not entitled to a shift premium during his/her regularly scheduled hours, he/she will not receive a shift premium during overtime hours.

6. Call Out

When an employee is called out at any time outside of his/her regular working hours, they shall receive a minimum of four (4) hours pay at time and one-half.

7. Funeral Leave

(a) Time off for three (3) days paid by the Company in the event of the death of an employee's spouse, child, father, mother, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandchild or grandparent. Time off of one (1) day paid by the Company in the event of the death of an employee's uncle or aunt. In the event that any of the foregoing live in the immediate household of the employee, the one (1) day may be extended at the discretion of management.

(b) The period during which the paid time off is applicable is from the date of the death to the day after the funeral inclusive. Any days falling within this period which are not worked and which are scheduled days of work for the employee will be paid, up to a total of three (3) days, provided the employee attends the funeral. If unscheduled workdays fall within this period, they are not paid for.

(c) The intent of this clause is to permit an employee to take time off for the purpose of attending the wake and funeral of a deceased member of the family without losing regular pay, up to the three (3) day maximum. It is not the intent to grant three (3) days of time off with pay because of the occurrence of the death of a family member if the employee does not attend the funeral.

8. Jury Duty

The Company will pay an employee who has completed his/her probationary period and who is called for jury duty, the difference between his/her regular straight hourly pay for the time lost for the period of jury service and the amount of compensation received for jury duty upon presentation of proper evidence thereof. During this period of jury service, she/he will be deemed to be on a Monday-through-Friday day schedule. Jury duty makeup pay shall not exceed eight (8) hours' pay in any one day. Employees who are excused from jury duty before noon shall return to work for the remainder of that day.

9. Meals

Meals will be provided by the Company when:

- (a) Overtime work continues at the end of the day or at the end of a shift and lasts two (2) hours or more.
- (b) Overtime work continues for an additional period of four (4) hours or more after the first meal period, an additional meal will be provided.
- (c) An employee is called out for overtime work which lasts four (4) hours or more.
- (d) It is understood that the allowance shown below may be paid in lieu of providing a meal for employees at the discretion of the Company.

Allowance
\$10.75
\$11.00

Effective Date
April 1, 2003
April 1, 2005

10. Military Training

Employees with one (1) year's service who are members of the reserve components of the Armed Services of the United States or the National Guard and who are required to report for their annual tour of military training duty shall be granted a leave of absence for such purpose

not to exceed two (2) weeks in any calendar year. Such employees shall be paid for any loss of pay during such time computed on the basis of the difference between their straight time rate of pay for forty (40) hours and one (1) week's military base pay, including longevity pay and dependency allowance, but exclusive of any subsistence or travel allowances, for each week of such absence. Such payment shall be made upon the employee's return to work and upon receipt of a certificate from the proper military officer showing the amount received while engaged in such military training duty. If the two (2) week period of duty occurs in the summer, the vacation for such employees shall be assigned by the Company apart from the provisions set forth in Section 3 of Article VIII.

The parties agree that the Company Policy on Reservists Compensation and Benefits dated 1/1/91, will be adhered to for the Bargaining Unit Reservists.

11. Personal Time

All full time employees will be entitled to eight (8) hours personal time. Personal time will be taken in no less than one half hour increments and is subject to supervisory approval. All personal time must be used within the calendar year.

ARTICLE VIII VACATIONS

1. Eligibility - Vacation

(a) Regular employees who complete six (6) months of service by September 1 of the present calendar year shall be entitled to one week of vacation with pay.

(b) Regular employees who complete twelve (12) months of service by September 1 of the present calendar year shall be entitled to two weeks of vacation with pay.

(c) Regular employees continuously employed by the Company, who meet the service requirements by December 31 of the present calendar year, shall be entitled to vacation with pay as follows:

<u>Service Required</u>	<u>Vacation Earned</u>
Five Years	3 weeks
Ten Years	4 weeks
Twenty Years	5 weeks

(d) Establish a New Vacation Schedule for employees hired on and after January 1, 2004 as follows:

<u>Years of Service Completed as of 12/31</u>	<u>Vacation Earned</u>
1 to 2 years	2-weeks
3 to 9 years	3-weeks
10 + years	4-weeks

Employees hired prior to 1/1/2004 will be grandfathered into the current Vacation Plan plus they will be eligible to receive vacation in accordance with the new schedule.

2. Scheduling Vacations

(a) Vacations shall be scheduled by the Company, subject to operating requirements, with consideration given to the preference and the length of service of individual employees.

(b) Employees shall submit their first and second choice preference for the first two weeks vacation and their preference for subsequent weeks vacation on or before January 15 of each year and a vacation schedule will then be prepared and posted by February 15 for that year. This will not preclude vacations between January 1 and January 15 when operating requirements within a classification or department so permit.

(c) Subject to operating requirements, the senior employees shall have the choice of dates for the first two weeks of vacation when there is a conflict between the preference of employees.

(d) After the first two weeks vacation period has been determined for each employee, senior employees, may request additional weeks of vacation during periods when the vacation schedule indicates more individuals can be spared from their classifications and departments.

Such additional vacation time shall be granted according to seniority and when there is no adverse effect on operations.

(e) If an employee does not submit his/her choice of time for vacation by January 15, the Company will designate his/her vacation time in order to complete the vacation schedule.

(f) Nothing herein will preclude the Company from considering a request for rescheduling a vacation and granting such a request where there are no conflicts and no adverse effects on operations.

(g) An employee may elect to defer vacation time earned in excess of two weeks up to a maximum of 4 weeks, so that an extended vacation may be scheduled to include all of the time deferred. The taking of deferred vacation shall be granted when there are no conflicts and no adverse effects on operations.

Effective 1/1/04, an employee may elect to defer vacation time earned in excess of two weeks up to a maximum of 2 weeks.

(h) Subject to operating requirements and customer satisfaction, and usually following advance notification and authorization, and at no added cost to the Company, an employee may elect to take up to a maximum of ten (10) days of eligible vacation in one day or half-day allotments.

3. Earned Vacation at Termination

Vacation earned within the calendar year and not taken shall be paid to the employee upon retirement, termination and the beginning of a layoff.

The Company shall be given written notice of resignation by the employee fifteen (15) days prior to the effective date of such resignation and the Company shall give any employee fifteen (15) days notice prior to the effective date of any termination or pay in lieu thereof except where any employee is discharged for cause.

4. Holiday During Vacation

When a holiday occurs within an employee's vacation period, and he/she would normally lose the holiday, the employee will be granted an additional holiday or an additional day's pay subject to the following: If the employee elects to take another holiday, it shall be scheduled in the same manner as the floating holidays, and will be granted on the basis of operational needs and customer satisfaction.

5. Definition of Vacation Week

For vacation purposes only, five consecutive days of vacation will be considered one week.

6. Sale of Vacation

An employee entitled to more than three (3) weeks of vacation, with Company approval, may elect to receive the vacation pay for earned vacation in excess of the three weeks instead of time off. This pay, in lieu of time off, shall be paid by the 15th of December.

7. Vacation Buy

Effective January 1, 2004 the Vacation Buy option will no longer be available.

**ARTICLE IX
HOLIDAYS**

1. Holidays Observed

The following days shall be recognized as holidays on the days on which they are observed by the Company:

New Year's Day	Columbus Day
Washington's Birthday	Veteran's Day
Patriot's Day	Thanksgiving Day
Memorial Day	Christmas Day
Independence Day	Employee's Birthday
Labor Day	Floating Holiday

2. Holiday Hours

For administrative purposes, it is understood that the holiday begins at 12:01 a.m. and continues for twenty-four (24) hours.

3. Allowance for Observed Holidays

All full-time employees shall receive normal compensation for eight (8) hours on each holiday as specified in Section 1 when not assigned to work on such holiday. Part-time employees will receive pro-rated holiday pay based on the number of hours normally scheduled for a workweek. For example, a twenty (20) hour employee will receive forty-eight (48) holiday hours per calendar year.

In the departments that do not support field operations, every attempt will be made to accommodate the request of employees to take their floating holiday day on the day after Thanksgiving.

4. Equivalent Time Off

(a) An employee who wishes to take his/her birthday or floating holiday shall request time off two weeks in advance and the request shall be acknowledged within one week. Such request shall not be refused provided that available manpower is consistent with operating requirements of the department.

(b) All hours worked on a holiday that is the employee's regularly scheduled workday shall be compensated at twice the employee's regular rate for the hours actually worked in addition to the allowance granted for the holiday.

ARTICLE X OPPORTUNITIES FOR ADVANCEMENT AND RECOGNITION

1. Job Posting

The Company determines the number of employees required in each position, when new positions will be required, the qualifications for all positions and the selection of the employee who will fill the position.

When a job opening occurs or a new bargaining unit job is created, the job shall be posted at places accessible to employees and shall remain posted for a period of five (5) days, within which time applicants eligible and desiring to fill such vacancy shall apply in writing to the official of the Company to be designated in the notice. Such notice shall also set forth the title of the position to be filled, hours of service, rate of pay and outline of duty. Within one (1) week after expiration of the posting period, the Company shall assign the accepted applicant to such vacancy or newly created position. The Company will send the Union Committee copies of all postings on jobs and will notify the Union Committee as to who has been assigned to the position. When time is required for obtaining a replacement for an employee who has been awarded a job bid, the employee awarded the job will receive the rate of the new job, although still held on the old job, on and after thirty (30) days from the date the employee was awarded the job.

(a) After a successful bid, if an employee chooses to return to his or her former job or is returned to his or her former job by the Company as a result of unsatisfactory performance, such employee shall be disqualified from bidding for a period of three (3) months, or for (3) months if he or she is returned by the Company.

- (b) New employees may not bid for the first six (6) months of employment and, regardless of the length of service, no employee may make a successful job bid more than once every three (3) months.
- (c) Any employee assigned to a new position shall have thirty (30) days in which to qualify. If, in the opinion of the Company, he or she is competent, he or she shall be retained in the new position. If he or she is unable to qualify, he or she may return to his or her former position; but he or she shall not have the right to attempt to qualify for another position for ninety (90) days, thereafter. When forces are increased, or when there is a vacancy that cannot be filled in accordance with the provisions of Section 1, hereof, the Company shall have the right to hire an applicant not previously in the employ of the Company, or to offer the position to any employee and such employee shall be on probation until qualified.

2. Training

As a result of the reorganization of the Resource Deployment and Billing Departments, the Company will be evaluating training needs in order to develop a long term training plan. The goal of this plan will be to design a program aimed at providing training so that all employees may be proficient in performing all functions within their respective departments. To this end, the Company will solicit and the union will encourage employee participation.

3. Customer Service Phone Representatives

The current seven (7) Customer Service telephone representatives will retain their current wage grade eight (8) unless they successfully bid on a higher classification. Any future changes in their classification will be administered in accordance with the collective bargaining agreement.

ARTICLE XI EMPLOYMENT SECURITY

1. Seniority

Seniority shall begin when an employee is first hired by the Company as a probationary employee except where an employee has been dismissed and rehired or has voluntarily left the employ of the Company and has been rehired. Seniority shall begin when such employee is rehired.

2. Layoff

If forces are reduced, employees having the shortest length of service with the Company within the affected classification, shall be laid off. In the event an employee is laid off, they can bump an employee in the same or lower grade if they have more Company service and can be trained to successfully perform the job in a 40-hour week.

In the event an employee is laid off, they can bump an employee in a higher grade if they have more Company service, and they have previously successfully performed the job and/or could be trained to perform the job in a 40-hour week.

Successfully performing the job means producing work of equal quality and quantity as a fully qualified employee in that position.

Laid off employees will be offered part-time or temporary openings if they are qualified.

3. Benefits Continued During Layoff

While an employee is on furlough or layoff, or on leave of absence granted because of personal disability, all benefits provided for the employee and his/her dependents including pension, life insurance, hospitalization, surgical, medical, dental, etc., shall be continued through the end of the month following the last day worked for the Company.

4. Recall

Laid off employees shall be recalled to open positions for which they are qualified by Company seniority.

The Company will notify laid off employee(s), by certified mail to their last known address, when work is available. If the employee fails to accept reemployment or fails to respond to a recall notice within two (2) weeks of the issuance of such notice, they will lose all seniority rights.

5. Loss of Seniority

Laid off employees who are not rehired within one (1) year from the date on which they are laid off, shall have no seniority rights thereafter. Seniority shall begin when an employee was or shall be first hired by the Company, except that where an employee has been dismissed and rehired or has voluntarily left the employ of the Company and has been rehired, seniority shall begin when such employee is rehired. Seniority shall cease upon:

- a. Discharge for proper cause.
- b. Voluntary termination.
- c. Layoff for one (1) year.
- d. Failure of a laid-off employee to return to work within two (2) weeks after written notice of recall to work, within the one (1) year layoff period of recall.
- e. Failure to return to work upon the expiration of a leave of absence.

Employees who fail to report to work for three consecutive workdays without notification to the Company could be disciplined, up to and including discharge, for proper cause.

6. Suspensions and Discharges

Within seven (7) days (or a mutually agreed extension by the Company and Union) from the date on which any Regular employee has been Suspended or Discharged, the Company shall, upon written request of the Union, grant a hearing to the employee involved. Upon receipt of the foregoing request, the Company shall inform the Union of the reason for the Suspension or

Discharge giving all pertinent information. The hearing shall be conducted for the Company by the Manager or department head. At the hearing or at the time of appeal, the employee charged shall be represented by the Union and shall have the right to summon witnesses. If exonerated, the employee shall be reinstated without loss of seniority, and compensated for loss of wages.

7. Severance Pay

The Company will pay severance allowance to eligible employees as follows:

- (a) Regular employees, after one year of service, shall be given an opportunity to accept a severance allowance of one (1) week's base pay for each full 1 year of continuous service when the Company is involved in a layoff.
- (b) Severance allowance shall be in addition to any earned vacation benefits for which the separated employee is eligible.

An employee who is laid off shall not be required to accept severance pay. He/she shall have an option, effective up to ninety (90) days following the date he/she receives from the Company notice of termination, to accept or not to accept severance pay. Should he/she elect severance pay it will be a full release of all rights and benefits with the Company. In case he/she elects not to accept severance pay he/she shall not lose his/her reemployment rights, but shall retain all reemployment privileges which the contract between the Company and the Union or which the practice of the company provides.

ARTICLE XII PERSONAL SECURITY

1. Benefit Choice

Bargaining unit employees will participate in the Company Benefit Choice Program. The Benefit Choice menu, credits and costs will be on the same basis as non-union employees participating in the program. Furthermore, the following will apply:

- (1) The Core Benefit component of the program will be provided at no cost to the employee:
 - Life (1 x annual earnings)
 - AD&D (1 x annual earnings)
 - STD (70% of pay)
 - LTD (50% of pay)
- (2) Employees will be provided enough credits to purchase the low option dental plan at no cost.
- (3) During the term of the agreement the Company contribution toward the Medical programs will be at least 80% of the premium rate.

Effective January 1, 2004, employees covered by this contract will be provided Health and Welfare benefits in accordance with the provisions of Local Union #273 as follows:

2. Hospitalization - Surgical - Medical Benefits

All regular employees shall have the option, prior to January 1 of each year, to elect one of the medical options offered by the Company. The Company agrees to pay at least 80% of the premium cost and the employees will pay no more than 20% of the premium cost.

- (a) Blue Cross Blue Shield Anthem Plan
- (b) Blue Cross Blue Shield Master Health Plan
- (c) Any of the Health Maintenance Organizations (HMOs) located in the Brockton area as follows:

- HMO Blue
- Harvard Pilgrim Community Health

Employees may elect not to have (a), (b) or (c) above, and instead receive \$1650.00 for each full year they elect not to be in one of the above plans.

- (d) The medical options included in (a), (b) and (c) above will include prescription drug coverage.
- (e) The Company will provide employees who are covered under Plan (a), (b) or (c) outlined above with about the same coverage when they retire until the retiree becomes eligible for Medicare, if they meet all of the following requirements:

- 1. Retire under the provisions of the Company Pension Plan.
- 2. Is receiving a pension benefit under the Company Pension Plan.
- 3. Attained age forty-five (45) as of September 1, 1991.

The Company may utilize a Voluntary Employee Benefit Association Trust to fund retiree medical benefits.

When a retiree becomes eligible for Medicare, he or she shall be provided coverage equivalent to the Blue Cross-Blue Shield Medex III Plan. The Company can require a retiree to apply for coverage under Medicare as a condition of this benefit.

- (f) The definition of a dependent is a spouse or child over 14 days old and under 19 years of age, or a full time student under 23 years of age.

3. Dental Benefits

This coverage provides for payment of incurred covered dental expenses subject to a calendar year deductible of twenty-five dollars (\$25.00) per person for Basic and Major Services.

The Dental Plan will pay 80% of Preventive, 80% of Basic and 50% of the cost of Major services as defined in the Plan Document. Payment for incurred covered dental expenses will be based on Reasonable and Customary charges for a specific geographic location, as determined by the Dental Insurance Carrier, subject to a maximum of one thousand dollars (\$1,000.00) for each

calendar year applied separately to each insured family member.

Orthodontic services for qualified dependent children are covered on the basis of 50% of covered expenses with a maximum of one thousand dollars (\$1,000.00) for each child. Employees must complete one (1) year of continuous employment with the Company before being eligible for dental coverage.

4. Dependent Care

Effective 7/1/91, the Company will offer the dependent care spending account program with a maximum contribution of \$5,000.00 per calendar year.

5. Disability Benefits - Illness, Accident

(a) Illness and Non-Occupational Accident

The Company will pay the full amount of the employee's regular daily wage for any day or days lost due to illness or accident within his or her first three (3) regular days of work provided the Company is satisfied as to the legitimacy of the disability claim.

If the disability lasts for four (4) regular days of work or more, when such disability is verified by a physician's certificate, the Company will continue the employee's regular daily pay for up to a maximum period of twenty-six (26) weeks.

If the employee is still disabled after twenty-six (26) weeks on account of one disability, the Company will review the case with the Union.

(b) It is understood that employees shall comply with all reasonable regulations introduced to govern reporting of absence and control of any abuse.

A Joint Committee of three (3) Company and three (3) Union representatives is to be established to review and evaluate the disability pay plan and attendance for the purpose of correcting any abuses there under.

The Company shall initiate action to correct abuse of the wage continuation program. No corrective action shall be taken before the Attendance Committee is advised. All such corrective actions initiated by the Company shall be subject to the grievance procedure.

(c) Any employee claiming disability benefits may be required to submit to an examination by a physician designated by the Company. Should there be any disagreement between the Company-designated physician and the employee's attending physician, the two physicians shall refer the question to a mutually acceptable specialist or diagnostic clinic in the Boston area for a final and binding determination of the eligibility of the employee for benefits or continuation of benefits.

If an employee of the Company covered by this Agreement is eligible to receive any benefits under Chapter 90, Section 34A of the Massachusetts General Laws (no fault automobile insurance), such employee shall not be eligible to receive any of the benefits described in this Article, provided that if the benefits said employee would have received under

the plan described herein above exceeds the benefits for lost wages which he or she is eligible to receive under said section 34A, the Company shall pay the difference.

6. Long-Term Disability

(a) The Company provides an LTD Plan (Long-Term Disability) covering regular employees and which will pay a benefit of sixty-five percent (65%) of straight-time weekly wages (or a combined benefit of seventy percent [70%] when added to the amount of any other income benefits available to the employee for such period) beginning six (6) months after disability, under conditions described in the plan.

(b) The life, hospitalization, surgical, dental, prescription, medical insurance and pension provisions in effect at the time an employee qualifies for long-term disability benefits shall be continued for the employee and his or her dependents while his or her disability continues but not after he or she reaches age 65. When he or she reaches age 65, benefits then provided retirees based on his or her service and earnings shall be granted.

(c) The Long-Term Disability monthly benefit maximum is \$3,000. The monthly benefit maximum in effect on the date an employee becomes eligible for long-term disability payments will remain in effect through the period of disability.

Long-Term disability benefits will not be paid beyond twelve (12) months, unless the employee has applied for and continues to apply for Social Security Disability Benefits.

Employees are required to notify the Company immediately upon being granted Social Security Disability and must immediately refund to the Company any overpayment of long-term disability benefits.

7. Pension

Pension plan as agreed upon between the Union and the Company shall continue for the life of this agreement and succeeding agreements subject to such modifications as may be mutually agreed upon by the parties hereto. All covered employees who take a normal retirement during the term of this Agreement shall receive a pension as stipulated below:

Effective April 1, 2003, the final average pay pension plan shall be calculated by using an average of the highest three (3) years' base pay in the last ten (10) years up to a maximum of \$45,000 using a multiplier of one and a quarter (1.25%) percent of such final average pay times years of service up to a maximum of forty-five (45) years.

An employee is vested after five (5) years of service and may terminate at any time after vesting, but will not be eligible for pension earned at time of termination until reaching age 60.

Early retirement will begin at age 55 with a minimum of 10 years service. The social security bridge will remain between 60 and 62. Employees who retire at age 60 with twenty-five (25) years of service will have no reduction in their benefit.

The pop-up payment option will be available to employees. Employees retiring prior to April 1, 1995 will receive no less than what they had accrued on the non-union percentage of pay

formula.

At retirement, the amount of life insurance provided each retired employee shall be in the amount of five thousand dollars (\$5,000.00) for which the Company will pay the premium.

8. Life Insurance

The Company shall make available to regular full-time employees group life insurance subject to the terms and conditions of the Master Policy in effect with the insurance carrier.

Each regular full-time employee shall be provided life insurance by the Company in an amount equal to two (2) times their base pay.

The amount of life insurance in effect at the time an employee reaches age 65 will be reduced by 35% on their 65th birthday.

The amount of life insurance available to an employee who retires and receives a pension under the Company's Pension Plan described in Section 1 of this Article, will be five-thousand dollars (\$5,000.00).

9. Accidental Death and Dismemberment

The Company will make available to regular full-time employees accidental death and dismemberment insurance subject to the terms and conditions of the Master Policy with the insurance carrier. The amount of accidental death and dismemberment insurance an employee is eligible for is two (2) times their base pay.

10. Post Retirement Medical Benefits

Effective April 1, 2003, employees who are members of the Utility Workers Union of America, Local 273, Clerical/Technical Unit and who retire after April 1, 2003, under the Pension Plan for Operating employees of the Company, will be eligible to participate, in accordance with the Plan Document and generally as described below, in the Defined Dollar Retiree Medical Plan offered by the Company.

Annual Company Subsidy per Year of Credited Service:

<u>Pre-Medicare</u>		<u>Post Medicare</u>	
<u>Retiree</u>	<u>Spouse</u>	<u>Retiree</u>	<u>Spouse</u>
\$170	\$120	\$35	\$25

No cash is available. Subsidy only received if retiree buys coverage through the Company.

NOTE: Employees and retirees who qualified for post retirement medical coverage under Article XII, Section 3, the present Agreement will be grandfathered in those benefits and will not be eligible for the benefits described above.

11. Savings Plan

Effective March 1, 1994, employees in Clerical Technical Unit of Local No. 273 may be eligible to enroll in the Savings Plan for Operating Employees. This Plan allows employees to save for retirement through payroll deductions on a pre-tax basis. For employees who meet the plan's eligibility requirements, the Company match will be 50% of the first 5% contributed by the employee.

For those employees hired before 9/1/90 and under age 45 on 1/1/92 or hired after 9/1/90 (any age) or hired before 9/1/90, age 45 or older on 1/1/92 who irrevocably elected to waive eligibility for post-retiree medical coverage no later than 1/1/92, will receive the following contributions to their 401(k) Savings Plan, after having completed one year of service with the company.

Effective October 1, 1995 - 100% Company match on the first 1% contribution.
50% Company match on the next 5% contribution.

The loan provision will be available to Plan participants.

12. Occupational Disability

(a) The Company will pay the full amount of the employee's regular daily wage for a regular day or days of work lost up to the first five (5) working days if there is no Workmen's Compensation Insurance benefit. If the insurance benefit is retroactive to the first day the Company will make up the difference between the insurance benefit and the employee's regular daily rate for the first five (5) regular days of work.

(b) If disability continues for more than five (5) working days, the Company will make up the difference between the insurance benefit and the employee's regular weekly rate, on a forty (40) hour basis, for an additional period of five (5) days. If the employee is still disabled after twenty-six (26) weeks on account of an accident, the Company will review the case with the Union.

(c) An employee's disability benefit from the Company will be offset by any Workmen's Compensation payments. Employees are required to notify the Company immediately upon receiving payment from Workmen's Compensation. In the event the Workmen's Compensation payment exceeds the employee's disability benefit, the full amount of the disability benefit will be returned to the Company.

13. Duplicate Benefit Reimbursement

An employee will reimburse the Company any wages received from a third party that the Company has already paid.

14. Short Term Disability - Part-time Employees

Effective April 1, 1998, part-time employees will become eligible for twenty (20) hours of short-term disability pay.

15. Medical and Personal Leave Policies

The Company agrees to administer Medical and Personal Leave Policies in accordance with the Local 273 labor agreement. At such time as the Company issues new administrative leave policies and procedures, the union will be notified and will have the option to adopt the new policy.

16. Bargaining Unit Incentive Plan

Effective April 1, 2003, Utility Workers Union of America Local 273 Clerical/ Technical Unit employees will participate in the Company's Bargaining Unit Incentive Plan on the same basis as all other bargaining units.

The Company reserves the right to amend the plan from time to time and to adjust or change the performance and financial modifiers from year to year.

Additionally, as stated in the plan, the executive management of the Company reserves the right to settle all disputes that arise concerning the administration of the plan.

**ARTICLE XIII
COMPLAINTS AND GRIEVANCES**

1. Grievance Redress

The Grievance Committee of the Union, Local No. 273, shall have the right, in its discretion, to confer with the responsible officers of the Company at reasonable times, and as often as may be necessary for the purpose of adjusting grievances relating to rates of pay, hours of work, the application of seniority, or other conditions of employment, in accordance with the procedures set forth in Section 2.

2. Grievance Resolution

Nothing in this section shall be deemed to preclude any employee from discussing any problem or question with his immediate supervisor.

Grievances shall be taken up in the following manner:

(a) The employee with his/her steward shall discuss the grievance with his immediate supervisor within ten (10) days of the occurrence.

(b) If the grievance has not been satisfactorily adjusted within ten (10) days, it shall then be reduced to writing with a statement of the facts and issues involved and shall be forwarded to the appropriate manager with a request for a meeting with the steward. Within ten (10) days of receipt of the written grievance, the manager shall schedule and hold such meeting at a mutually satisfactory time. The steward may have one other Grievance Committee member at this step if desired.

(c) If the grievance remains unsettled after the meeting between the manager and the

steward, a further meeting shall be scheduled within ten (10) days between the Vice President of the Division or the Vice President's designated representative, the local Grievance Committee, and a national representative of the Union. A response to the grievance shall be provided within ten (10) days of this meeting.

(d) The time limits specified above may be waived by mutual consent of the Union and the Company.

3. Arbitration

(a) If any dispute arises during the term of this agreement which is not settled by agreement between the Grievance Committee of the Union, Local No. 273, and the responsible officers of the Company, there may be additional conferences as mutually agreed upon between the Grievance Committee of the Union and the responsible officers of the Company.

(b) Prior to the arbitration process of Article XIII, the parties may, through mutual agreement, engage the services of a professional mediator to act in a manner to resolve the grievance through the mediator's recommendation which in no way would be binding upon the parties and cannot be used by either party in the arbitration process.

(c) If there should be any remaining dispute which is not settled by agreement in the aforesaid conferences, then the existing dispute shall be submitted to arbitration, provided that such request is made by the aggrieved party in writing within forty-five (45) days after the date of the conference at the last step of the grievance procedure.

(d) The aggrieved party, when requesting arbitration, shall do so by delivering to the other party, a notice in writing by registered mail setting forth the grievance and the name of the arbitrator chosen by the aggrieved party. If the Company and the Union fail to agree on an arbitrator within ten (10) days, the aggrieved party may immediately proceed to arbitration by requesting unilaterally the American Arbitration Association to appoint an arbitrator under its rule to arbitrate grievances.

(e) The Arbitrator as designated above, shall schedule a hearing within thirty (30) days following selection and shall render a decision to the parties within thirty (30) days following the hearing or the date set for the filing of any briefs requested.

(f) The decision and award of the Arbitrator shall be in writing and be final and binding upon both parties.

(g) No Arbitrator shall have the power to add to or subtract from or modify any of the terms of this agreement or pass upon or decide any question except the grievance submitted to the Board in accordance with the foregoing provisions. No award or decision of a Board of Arbitration shall be retroactive for more than thirty (30) days before the grievance was reduced to writing as provided in subsection (c) of Section 2 of the provisions for grievance procedure in Article XIV.

(h) Each party shall share equally the expenses and fees of the Impartial Arbitrator. Other incidental expenses, if any, shall be shared equally by the parties.

4. Grievance Committee

The grievance committee shall consist of not more than three union members; a Local 273 officer, a steward and the grievant. The committee shall represent its members in accordance with the procedure set forth in section two. The grievance committee shall represent the employees covered by this agreement in all differences, disputes and grievances arising out of the interpretation and application of this Agreement. Union employees will not incur any lost wages during this process.

**ARTICLE XIV
COMMITMENTS - RESTRICTIONS**

1. Notification of Union

Except as otherwise specifically provided in this agreement, notices and requests from the Company to the Union shall be deemed to have been properly given and served or made when sent by registered mail addressed to Kevin E. Friary, 132 Ferncrest Drive, Taunton, MA 02301, and by the Union when sent by registered mail to the Company at 995 Belmont Street, Brockton, Massachusetts 02301. New names and addresses may be substituted for the foregoing on five (5) days' written notice from either party to the other.

2. Bulletin Boards

The Company will provide reasonable space on designated bulletin boards for use by the Union for posting notices concerning official Union business such as meetings, elections and appointments, and notices of Union social and recreational activities, and other such Union matters, provided that in the opinion of the Company such notices are non-controversial in nature and do not adversely affect the best interest of the Company.

**ARTICLE XV
AGREEMENT**

1. Duration of Agreement

The term of this Agreement shall begin on the day first above written and shall be binding upon the parties hereto, and shall remain in full force and effect until terminated in either of the following manners:

- (a) By way of any lawfully constituted authority of State or U.S. Government, whichever has jurisdiction.
- (b) On and after April 1, 2009, by notice in writing by either party to the other at least sixty (60) days prior to such termination.

2. Assignment

This Agreement shall be binding upon and insure to the benefit of the parties hereto and their respective successors and assigns and the words "Company" and "Union" respectively shall be construed to include their respective successors and assigns.

3. Legal Stipulation

During the term of this agreement, should any provision or part thereof become illegal, the rest of the agreement will continue in full force and effect.

4. Continuation

Whenever notice to terminate this agreement, as provided under subsection (b) of Section 1 of Article XV, is given, the parties hereto agree that at least thirty (30) days prior to the date of such termination they shall confer jointly for the purpose of negotiating another agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written each by officers duly authorized.

**UTILITY WORKERS' UNION OF AMERICA, AFL-CIO
LOCAL UNION NO. 273, CLERICAL/TECHNICAL UNIT**

Kevin Friary

President, Local 273

Timothy Leary

Treasurer, Local 273

Michael Wasylow

Chief Steward, Local 273

Deborah Steele

Clerical Steward

Janice Downey

Clerical Steward

UTILITY WORKERS' UNION OF AMERICA, AFL-CIO

John Holland

National Representative

**BROCKTON FIELD LOCATION
BAY STATE GAS COMPANY**

Thomas Robertson

Director, Human Resources & Labor
Relations

Kimberly Dunn

Human Resources Manager

F. William St. Cyr

Operations Center Manager, Brockton

Maureen E. Pike

Human Resources Consultant

Rita Souza

Billing Supervisor

APPENDIX A

**WAGE RATE PROGRESSION
MARCH 1, 2003**

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 18 Months	Job Maximum 24 Months
1	8.29	8.82	9.34	9.86	10.37
2	8.82	9.39	9.93	10.48	11.03
3	9.61	10.21	10.81	11.40	12.02
4	10.31	10.95	11.58	12.22	12.88
5	10.99	11.70	12.38	13.06	13.75
6	11.74	12.43	13.15	13.92	14.69
7	12.54	13.34	14.11	14.89	15.66
8	13.43	14.27	15.12	15.96	16.78
9	14.32	15.21	16.11	17.02	17.90
10	15.30	16.28	17.23	18.19	19.15
11	16.33	17.35	18.38	19.40	20.40
12	17.45	18.52	19.62	20.72	21.80

APPENDIX B

WAGE RATE PROGRESSION
FEBRUARY 1, 2004

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 18 Months	Job Maximum 24 Months
1	8.50	9.04	9.57	10.11	10.63
2	9.04	9.62	10.18	10.74	11.31
3	9.85	10.47	11.08	11.69	12.32
4	10.57	11.22	11.87	12.53	13.20
5	11.26	11.99	12.69	13.39	14.09
6	12.03	12.74	13.48	14.27	15.06
7	12.85	13.67	14.46	15.26	16.05
8	13.77	14.63	15.50	16.36	17.20
9	14.68	15.59	16.51	17.45	18.34
10	15.68	16.69	17.66	18.64	19.63
11	16.74	17.78	18.84	19.89	20.91
12	17.89	18.98	20.11	21.24	22.35

**WAGE RATE PROGRESSION
FEBRUARY 1, 2005**

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 18 Months	Job Maximum 24 Months
1	8.71	9.27	9.81	10.36	10.89
2	9.27	9.87	10.43	11.01	11.59
3	10.10	10.73	11.36	11.98	12.63
4	10.83	11.50	12.17	12.84	13.53
5	11.55	12.29	13.01	13.72	14.45
6	12.33	13.06	13.82	14.62	15.43
7	13.17	14.02	14.82	15.64	16.46
8	14.11	14.99	15.89	16.77	17.63
9	15.04	15.98	16.93	17.88	18.80
10	16.07	17.10	18.10	19.11	20.12
11	17.16	18.23	19.31	20.38	21.43
12	18.33	19.46	20.61	21.77	22.90

**WAGE RATE PROGRESSION
FEBRUARY 1, 2006**

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 18 Months	Job Maximum 24 Months
1	8.93	9.50	10.06	10.62	11.17
2	9.50	10.11	10.69	11.29	11.88
3	10.35	11.00	11.64	12.28	12.94
4	11.10	11.79	12.47	13.16	13.87
5	11.84	12.60	13.33	14.06	14.81
6	12.64	13.39	14.16	14.99	15.82
7	13.50	14.37	15.19	16.03	16.87
8	14.46	15.37	16.28	17.19	18.07
9	15.42	16.38	17.35	18.33	19.27
10	16.48	17.53	18.55	19.59	20.62
11	17.59	18.68	19.79	20.89	21.97
12	18.79	19.94	21.13	22.31	23.48

**WAGE RATE PROGRESSION
FEBRUARY 1, 2007**

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 18 Months	Job Maximum 24 Months
1	9.15	9.74	10.31	10.88	11.45
2	9.74	10.36	10.96	11.57	12.18
3	10.61	11.27	11.93	12.58	13.27
4	11.38	12.09	12.78	13.49	14.22
5	12.13	12.91	13.67	14.42	15.18
6	12.96	13.72	14.52	15.37	16.21
7	13.84	14.72	15.57	16.44	17.29
8	14.82	15.75	16.69	17.62	18.52
9	15.81	16.79	17.78	18.79	19.75
10	16.89	17.97	19.02	20.08	21.14
11	18.03	19.15	20.29	21.41	22.52
12	19.26	20.44	21.66	22.87	24.06

**WAGE RATE PROGRESSION
FEBRUARY 1, 2008**

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 18 Months	Job Maximum 24 Months
1	9.40	10.00	10.59	11.18	11.76
2	10.00	10.65	11.26	11.89	12.51
3	10.90	11.58	12.26	12.93	13.63
4	11.69	12.42	13.13	13.86	14.61
5	12.46	13.27	14.04	14.81	15.59
6	13.32	14.10	14.91	15.79	16.66
7	14.22	15.13	16.00	16.89	17.76
8	15.23	16.18	17.15	18.10	19.03
9	16.24	17.25	18.27	19.30	20.30
10	17.35	18.46	19.54	20.63	21.72
11	18.52	19.68	20.85	22.00	23.14
12	19.79	21.00	22.25	23.50	24.72

APPENDIX G
BAY STATE GAS COMPANY (BROCKTON DIVISION)

CLASSIFICATIONS AND WAGE GRADES

GRADE	DEPARTMENT	JOB TITLE
6	Facilities	Admin. Clerk-6 (Mailroom)
6	Scheduling	Metscan Scheduling Clerk
6	Customer Billing	Customer Billing Clerk
7	Field Collections/Revenue Recovery	Admin. Clerk-Rev. Recovery
8	Distribution	Maps & Records Clerk
8	Gas Operations/Facilities	Facilities Coordinator
8	Dispatch	Data Entry Clerk
8	Customer Billing	Cashier/Admin. Asst
9	Distribution	Sr. Admin. Clerk
9	Customer Service, Distribution,	Resource Deployment Admin.
9	Field Collections, Metering	Resource Deployment Admin.
10	Customer Billing	Customer Billing Rep
10	Dispatch	Dispatch Assistant

NOTE: The parties have agreed to have job evaluations performed on or before October 1, 2003 for all bargaining unit clerical positions. The Company and the Union will evaluate training needs in order to develop a long-term training plan. This evaluation will be done in conjunction with the job evaluation process and will be implemented on or before January 1, 2004.

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I. INTRODUCTION

1. Agreement

Agreement made and entered into this first day of November 2001, by and between BAY STATE GAS COMPANY, a Massachusetts corporation, hereinafter referred to as the Company, and the UTILITY WORKERS UNION OF AMERICA, AFL-CIO, on behalf of LOCAL UNION NO. 273, and the employees of the Company as defined in Paragraph 1 of Article II herein, who are now or may hereafter become members of said Local Union, hereinafter called the Union.

2. Purpose of Agreement

The purpose of this Agreement is to provide collective bargaining relations; to secure prompt and equitable disposition of grievances; to establish rates of pay, wages, hours of employment, seniority and other conditions of employment, to promote harmony and efficiency; to prevent strikes and lockouts; all to the end that there may be an adequate and uninterrupted supply of gas service in the territory and communities served by the Company.

The Union recognizes the Company's desire to promote harmony and efficiency in the working forces so that the employees and the Company may obtain mutual economic advantages consistent with the duty of the Company, as a public utility, at all times to provide an adequate and uninterrupted supply of gas service in the territory and communities which it serves.

The Company recognizes an obligation to promote good employee relations by maintaining rates of pay, wages, hours of employment and other conditions of employment that are equitable, reasonable, and fair.

In consideration of the mutual covenants and agreements hereafter set forth, it is agreed as follows:

II. RECOGNITION

1. Union Recognition and Bargaining Unit

The Company recognizes the Union as the exclusive representative for all its production and maintenance employees in the Brockton Division including garage employees, collectors, meter reader/collectors, drafting technicians, working foremen, and gas load monitors for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment, seniority and other conditions of employment.

2. Exclusions from Bargaining Unit

The provisions of this agreement shall apply to all employees in the unit described above. The provisions of this agreement shall not apply to executives, officials, office and clerical employees, student engineers, chemists, customer service representatives, part-time student employees and supervisory employees with authority to hire, promote, discharge, discipline, or otherwise effect changes in the status of employees or effectively recommend such action.

III. RESPONSIBILITY

1. Responsibility of Management

The management shall have the supervision of the work, the direction and distribution of its employees to meet the needs of the business in the efficient conduct and operation of its plant, the right to suspend or discharge for proper cause, or furlough because of lack of work, all subject to the provisions of the articles of this Agreement.

The determination of the Company in the promotion of foremen and supervisors shall be conclusive.

2. Responsibility of the Union

In consideration of the commitments assumed by the Company in this Agreement, the Union agrees that its officers, agents and members will cooperate with the efforts of the employer to maintain high efficiency, productivity and competence in the work force and to train employees to improve their skills and abilities.

The Union agrees that it will encourage its members to suggest improvements in practices and procedures. The Union agrees to support the efforts of the management to provide economical and quality service to consumers and encourage work assignments, which fully utilize the skills and time of individual members.

3. Responsibility of Employees

(a) Employees shall individually and collectively work so as to maximize operating efficiency and individual and group productivity. They shall make every effort to protect the property of the Company and represent the best interest of the Company in their relationships with consumers and the public.

(b) Employees shall not engage in work for pay on their own or for another employer when there may be a conflict of interest between the services provided by the Company and the activities of the employee.

4. No Strike - No Lockout

While this agreement is in force, there shall be no lockouts of the employees by the Company, and neither the Union nor its members will cause or participate directly or indirectly in any strike, or in any retarding or stopping of work, for any cause whatsoever.

5. No Liability for Violation

It is understood and agreed that in the event of any unauthorized strike or work stoppage on the part of any of the employees during the life of this agreement, there shall be no liability on the part of the National Union, the Local Union, or any of their officers, agents, or members. The sole recourse and exclusive remedy of the employer in such event is to impose disciplinary measures upon the employees involved in accordance with the provisions of the agreement.

The Company agrees that neither the Union, its officers, agents, or members shall be liable for damages for unauthorized stoppages, strikes, intentional slowdowns or suspensions of work. In consideration thereof, the Union will, in the event of such unauthorized action, cooperate with the Company in getting its members to return to and remain at work.

6. **Corrective Procedure**

It is recognized that the Company has the right to take disciplinary action, including discharge, against any employees who engage in any unauthorized stoppage, strike, intentional slowdown, or suspension of work, subject to the Union's right to present a grievance as outlined in this Agreement.

7. **Non-Discrimination**

Neither the Company nor the Union will discriminate against any employee because of race, creed, color, national origin, age, sex or being handicapped, disabled veteran or Vietnam Era veteran.

8. **Gender**

All reference as to the masculine gender in this Agreement shall also be construed to refer to the feminine gender where applicable.

IV. UNION MEMBERSHIP

1. **Maintenance of Membership**

All present employees to whom this Agreement applies and all employees hereafter hired and subject to this Agreement shall, as a condition of employment maintain membership in the Union in good standing through payment of initiation fees and periodic dues uniformly required for membership. The term "periodic dues" does not include fines.

2. **Eligibility**

In each case the obligation of Section 1 shall be effective on and after the 30th day following the employee's date of hire or the effective date of this Agreement, whichever is later.

3. **Exclusions**

If the Union refuses to accept any employee who is an applicant for membership in the Union, or suspends or expels any member of the Union who is an employee of the Company for any reason other than failure to pay initiation fees or periodic dues, uniformly required for membership, such action by the Union shall not affect such employee's employment status or require any action by the Company against such employee.

4. **Failure to Maintain Membership**

If an employee who is required to meet the financial obligations to the Union under Section 1 above fails to do so, and the Union desires the Company to take action, the Union shall notify the Company by registered mail stating that the named employee has not paid the

initiation fees or dues, or both. Upon receipt of this letter, and, in no event, more than seven (7) days after its receipt, the Company shall inform the employee in writing that unless he or she tenders to the Union such initiation fees or dues, or both, as the case may be, his or her employment with the Company will be terminated as of the 30th day from the date such employee is informed by the Company. If there appears to be a bona fide dispute whether termination of such employee's employment is required under this article, either the Company or the Union may submit such issue to arbitration under Article XIV, in which event the termination of employment required hereunder shall be suspended until ten (10) days after receipt of the award of the Board of Arbitration.

5. Transfer to Bargaining Unit

Any employee who is exempt from Union membership requirements under the provisions of Article II of this Agreement, but who is transferred or demoted while this Agreement is in effect to a class of work which is subject to Union membership requirements shall be required to maintain Union membership in good standing through payment of initiation fees and dues as provided in Section 1 on and after the 30th day following such transfer or demotion or the effective date of this Agreement, whichever is the later. However, a transferred employee shall not retain his or her Company seniority for any purpose other than retention of benefits and Article XI, Section 1 (a). The employee's seniority for all other purposes will be that of the date of transfer to the bargaining unit.

6. Transfer from Bargaining Unit

Any employee subject to the foregoing requirements as to Union membership who is transferred or promoted to a position which is not subject to those requirements shall have the privilege of withdrawing from Union membership. Should any such employee later be retransferred to a job classification subject to such requirements, he or she shall again be required to maintain Union membership in good standing through payment of initiation fees and dues as provided in Section 1, on and after the 30th day following such retransfer or the effective date of this Agreement, whichever is later.

7. Regular Employee

The Company and the Union mutually agree that, for the purpose of this Agreement, the term "regular employee" shall include any employee who has been employed by the Company continuously for a period of six (6) months and is scheduled to work at least 1,000 hours in a calendar year.

8. Seasonal Employee

The Company shall have the right, in its discretion, to employ seasonal forces for street work, emergencies, vacation relief, or in other unusual situations, and seniority shall not apply to employees in such forces. Said employees shall be deemed seasonal if the period of their employment does not exceed six (6) consecutive months in any year or in the Distribution Department, street section, nine (9) consecutive months. Seasonal employees shall maintain membership in the union as outlined in Article IV, Sections 1, 2 and 4.

If a seasonal employee is changed to probationary-regular status, and there is no break in service with the Company, his or her service as a seasonal employee, up to a maximum of three (3) months will be counted toward this probationary period. His or her seniority date shall be his or her date of hire as a regular employee with the Company for all purposes other than the computation of vacation and pension benefits. An employee whose status is so changed shall not be entitled to any retroactive benefits not received during the period of his employment as a seasonal employee, including holidays, sick pay, or benefits provided for in the insurance plans set forth in this Agreement.

Contractors will not be utilized during the period of December 31 to April 1, for the term of this Agreement, except for emergencies, which includes excessive workload. Keyhole joint repair work by contractors is exempt from the above.

Seasonal employees will be paid at the entry rate for labor grade 1 and follow the time progression through the grade. Seasonal employees will not displace existing bargaining unit employees.

9. Probationary Employee

The term "probationary employee" shall include any employee who has been employed by the Company for a period of less than six (6) consecutive months. "Seasonal employees" shall be recognized to the extent provided in Section 8 of Article IV.

The Company will determine the suitability of a probationary employee for acceptance as a regular employee. If such employee is released by the Company for any reason during such six (6) months' probationary period, such action will not be subject to Grievance Procedure or Arbitration. Otherwise, after thirty (30) days probationary employees are covered by this Agreement and shall be eligible for all benefits except those disability and dental benefits defined in Article XII, Sections 5, 6, 7, and 8 of this Agreement.

Probationary employees are not covered by Article X, Sections 1 and 2 of this Agreement.

10. Collection of Dues and Fees

(a) The Company agrees to deduct from earned wages and remit monthly to the Office of the Union at 815 Sixteenth Street, N.W., Washington, D.C. 20006, dues as authorized by Local No. 273 in writing of those employees who are members of the Union, and not exempt from the provisions of this agreement, and who individually authorize such deduction in writing. The deduction shall be made on account of earned wages during each payroll week. A copy of the approved form of authorization follows at subsection (b) of this article and is hereby made a part of this Agreement.

(b) To Bay State Gas Company:

As my employer, you are authorized and directed to deduct from my earned wages each week hereafterward my Union dues and remit the same to the Office of Utility Workers Union of America, AFL-CIO, 815 Sixteenth Street, N.W., Washington, D.C. 20006. This is a voluntary authorization and direction, valid during the terms of the existing contract between Bay State Gas Company and Utility Workers Union of America, AFL-CIO, and any renewal or extension thereof unless and until revoked by me in writing.

Dated

Witness

Employee's Signature

V. HOURS OF WORK

1. Work Day, Work Week

(a) Eight (8) hours shall constitute the regular daily assignment of all employees coming within the scope of this agreement.

(b) Five (5) days of eight (8) hours shall constitute the regular weekly assignment of all employees coming within the scope of this agreement.

(c) For administrative purposes, it is understood that the work day begins at 12:01 A.M. and the work week begins Sunday at 12:01 A.M.

2. Relief Days

Days of relief shall be established and shall not be changed without good and sufficient cause. When new positions are created, days of relief shall also be established for such positions and shall not be changed thereafter without good and sufficient cause.

3. Change of Relief Days

Whenever employees are replaced in any class of work where continuous operation is necessary, the prevailing days of relief established with each assignment within such class shall not be changed without good and sufficient cause.

4. Continuous Operation

Employees will not be compelled to change their days of relief with other employees.

In departments or groups where continuous operation is not necessary, every effort will be exerted by the Company to establish days of relief in accordance with the desires of the employees.

5. Temporary Schedule Changes

The Company may have occasion to make temporary changes in an employee's schedule to fill in for absences due to vacations for one week or more and disability due to sickness or accident extending for more than one week.

For efficient operations, the Union and the Company may agree to add people to a shift for any other reason for one (1) week or more when the occasion may arise. When the occasion for such temporary change of schedule occurs, the Company will either give the employee affected forty-eight hours' notice or pay time and one-half for any time worked on the changed schedule during the period of forty-eight hours from the time the notice of the change is given to the employee.

6. Voluntary Change of Workdays

Employees in the same classification may for good reason, swap a day off provided the Company's service is adequately maintained with no increase in cost and with the approval of the supervisors concerned.

Requests must be submitted at least one full shift prior to the shift to be exchanged, agreed to, by both individuals involved and approved in advance by the supervisor concerned.

7. Designated Lunch Period

(a) A meal period is to be not less than thirty (30) minutes, except for designated paid meal periods of twenty (20) minutes.

The time for beginning the meal period will be within five (5) hours of the starting time; on the day shift, preferably between 12:00 noon and 1:00 PM.

(b) It is understood that where required, employees will take their lunch period on location and that an employee on a customer's premises may, at his discretion, continue working to complete a job and take his lunch period later.

(c) In the stores area, lunch periods will be staggered.

(d) Employees assigned to work where eight (8) hours of continuous operation is necessary shall be allowed a meal period of twenty (20) minutes with pay. Such mealtime to be taken so as not to interfere with continuous operations of service.

(e) Distribution Department employees will be required to work a straight eight (8) hours schedule by the Company and to take a twenty (20) minute paid lunch in place, on the job site.

8. Union Leave of Absence

- (a) Upon written request from the President or Secretary of the Local to the General Manager of the Division, the Company will, on thirty (30) days' notice, and so far as the exigencies of its business and duties permit, allow not more than six (6) employees time off not to exceed two (2) weeks without loss of seniority but without pay, to attend national, state and regional conventions of the Union or its affiliates. Unless the Company advises the Union otherwise within seven (7) days after receipt of request, it shall be deemed granted. If more than two (2) of such employees are from the same department, the junior qualified employees in the department will be rescheduled to replace the absent employees.
- (b) For other official Union business, the Company will grant leave on reasonable notice provided that there is no situation that demands immediate attention to the Local Union President and one other Union officer. Request for such leave shall be made to the Department Head and such leave, if granted, shall be without loss of seniority but without pay. Neither the Company nor the Union will abuse their rights under this section.
- (c) The Company agrees it will pay the straight time wages to the President, Vice President, Treasurer and Secretary of Local 273, for all straight time wages lost while conducting Union business.
- (d) The Local agrees to reimburse the Company for all wages, employer F.I.C.A. and 401K matching funds paid to the President, Vice President, Secretary and Treasurer of Local 273 while conducting Union business.
- (e) Upon request of the President of the International Union or his or her designated representative, to the appropriate officer of the Company or his or her designated representative, an employee hired by the International Union on a temporary or regular basis shall be granted a leave of absence without loss of seniority, but without pay, for the period of twenty-four (24) months. Employees granted leave under this section shall be allowed to continue participation in the Company's group insurance, retirement, hospitalization, disability, dental and medical benefit plans, but at no cost to the Company.

9. Leave for Maternity

An employee who has completed the six months probationary period and who is pregnant will be eligible for a maternity leave, without pay and without loss of seniority, not to exceed six (6) months including the period of paid disability, vacation and unpaid leave (unpaid leave cannot exceed three [3] months) and upon return to work shall be restored to the previous position or a similar position with the same status as of the date of the leave unless operating conditions occur during the absence which affect the employee's seniority status.

Health and life insurance shall be continued for up to six (6) months for each maternity leave granted. However, you must continue to contribute toward the cost of any benefit plans that require employee contributions during the leave of absence.

Holidays occurring within any disability period are paid under the disability provision of the Labor Agreement.

Holidays occurring within any unpaid leave of absence shall not be paid.

If any employee has medical complications, the paid leave period provided under Article XII (personal Security) shall apply in accordance with applicable laws.

VI. WAGES

1. Wage Determination

(a) **Wage level** - The Company provides a wage schedule which pays each employee a fair wage for work performed. Wage differentials between jobs are based on differences in responsibilities, skills and duties, as determined by evaluation.

(b) **Wage Grades** - Jobs of the same relative value are grouped together into Wage Grades. The grade determines the rate of pay for all jobs included in the Grade (Appendix I).

(c) **Wage Ranges** - Wage ranges are established for each wage grade. A minimum and a job rate applies to each job.

(Appendix A - 2002) (Appendix B - 2003) (Appendix C - 2004)
(Appendix D - 2005) (Appendix E - 2006) (Appendix F - 2007)
(Appendix G - Progression-Related Job Series)

(d) **Job Rates** - In the event a new job is established or a substantial change is made in the duties of an existing job, the Company, based on its equitable relationship to other jobs, shall establish the rate for the new or changed job (Appendix H). The Company shall first discuss the proposed rate with the Union. If no agreement is reached, the Company shall notify the Union that it is establishing the rate subject to the Union's right of objection. If the Union disagrees on the rate established, the appropriate wage grade and rate shall be subject to the grievance and arbitration procedure.

If the Union does not object to the rate within thirty- (30) calendar days after it receives the notice above-referred to, the rate shall be considered as approved. If the Union objects to the rate within the thirty- (30) day period, the matter will be regarded as a grievance under the grievance and arbitration procedure of this agreement. Should it be determined that the rate is incorrect; the rate shall be adjusted retroactively to the date when the rate first became effective.

2. Wage Administration

(a) The Company establishes job classifications and the combination of duties that make up a job classification and also determines whether or not a classification shall be filled and how many individuals are required in a classification at any time.

(b) Individuals within a classification are required to perform all duties included in the classification.

(c) Employees within a grade progress by steps from the minimum rate to the job rate according to the length of time spent on the job.

(d) To be eligible for promotion, employees bidding for posted openings must meet the minimum qualifications established for the job.

(e) To be eligible for promotion within a related job sequence, employees begin in the lowest classification in the sequence and pass examination and complete required service in each successive level (Appendix G).

(f) In determining length of time worked within a classification or a grade, any absence of more than three months shall be added to the time required to be eligible for the next step or grade stipulated in the progression within a related job sequence.

3. Transfer Between Jobs

(a) **Transfer Between Jobs Not in a Related Job Sequence:**

An employee transferred to a job in a higher grade shall be paid the minimum for the job or the step rate nearest above his or her present rate, whichever is higher, and continue the established progression for the new grade.

An employee transferred to a job in the same grade shall be paid his present rate and continue his or her progress, if any, to the job rate.

An employee transferred to a job in a lower grade for reasons other than disability shall receive the step rate nearest his or her present rate, but not to exceed the maximum rate for the new job.

(b) **Transfer To and Within a Related Job Sequence:**

- (1) An employee entering a related job sequence from a lower grade shall begin at a rate not to exceed the step rate next above his or her present rate, but not to exceed the job rate maximum for the entry job and shall remain at this rate until the required time to earn the step has been served in the classification and shall then progress as qualified from grade to grade as scheduled, provided performance and periodic examination verifies continued eligibility.
- (2) An employee entering a related job sequence from a higher or equal grade, shall begin at a rate not to exceed the step rate next below their present rate and shall remain at this rate until the required time to earn the next step has been served in the classification. Such employee shall then progress as qualified from grade to grade as scheduled provided performance and periodic examination verifies continued eligibility.

If an employee is not able to progress from one level to the next, he or she may be removed at the Company's discretion from the job and bump per Article XI Employment Security, Section 3, Layoffs.

Regular Shift assignments of employees in progression will be made at the time the employee reaches the job rate maximum of the progression.

(c) **Transfer of Meter Reader Special:**

A Meter Reader Special transferred to another job shall be paid his or her present rate or the minimum rate for the grade, whichever is higher.**

4. **Temporary Transfer**

When employees are temporarily assigned to higher classifications, they shall receive a temporary assignment differential equal to the maximum wage for the higher classification for each continuous hour worked. Intervals of two (2) hours or less between assignments to a higher classification will be considered to be continuous hours worked. When an employee is assigned to a higher classification he or she shall receive a minimum of four (4) hours pay at the appropriate higher rate. When employees are temporarily assigned to a lower classification for the convenience of the Company, they shall receive their regular rate. However, this shall not apply where employees are learning the duties of a new job.

An employee in progression within a related series is expected to perform any assignment within the series at his regular rate of pay that is covered by the training received prior to assessment.

An employee temporarily assigned to a lower wage grade shall continue to receive his regular rate.

If an employee is on temporary assignment at a higher rate of pay for ninety (90) consecutive days or more, he or she shall be entitled to that rate of pay for holidays, sick time and vacations. If the duration of the transfer is initially scheduled to be less than ninety (90) consecutive days but work requirements extend the transfer beyond ninety (90) consecutive days, alternate rate payment will be made for any holiday, sick time or vacation taken during this period.

5. **General Wage Increase**

Wages shall be paid employees in accordance with Classifications, Wage Grades and Wage Schedules shown in Appendices A, B, C, D, E, F and G attached hereto and made a part hereof.**

** For present incumbents only.

(a) All present job rates are to be increased effective March 2, 2002 by two and one-half percent (2.5%) retroactive to January 1, 2002.

(b) All present job rates are to be increased effective February 1, 2003, by two and one-half percent (2.5%).

(c) All present job rates are to be increased effective February 1, 2004, by two and one-half percent (2.5%).

(d) All present job rates are to be increased effective February 1, 2005, by two and one-half percent (2.5%).

(e) All present job rates are to be increased effective February 1, 2006, by two and one-half percent (2.5%).

(f) All present job rates are to be increased effective February 1, 2007, by two and three quarters of a percent (2.75%).

6. **Direct Deposit/Bi Weekly Pay**

From the ratification date of this agreement to January 1, 2004, all Local 273 bargaining unit employees will be encouraged by the Company to open direct deposit accounts for the deposit of their pay. After January 1, 2004, all employees, if so requested by the Company, will have direct deposit accounts available to the Company for the electronic deposit of their pay.

After January 1, 2004, and after providing each employee with ninety (90) days written notice, the Company may pay employees on a bi-weekly basis (every other Friday) if the Commonwealth of Massachusetts permits such bi-weekly payments for the payment of wages.

VII. ALLOWANCES

1. **Overtime**

(a) All work performed after eight (8) hours within one workday and after forty (40) hours scheduled within one workweek shall be at the rate of one and one-half times the employee's regular rate.

(b) All work performed on the sixth continuous day in any workweek shall be at the rate of one and one-half times the employee's regular rate. The first day of relief in any workweek shall be considered to be the sixth day for this purpose.

(c) All work performed on the seventh continuous day in any workweek shall be at the rate of twice the employee's rate. The second day of relief in any workweek shall be considered to be the seventh day for this purpose.

(d) All work performed after the first twenty (20) hours of overtime worked in any one workweek will be paid at the rate of twice the employee's regular rate.

2. **Overtime Distribution**

All overtime shall be shared insofar as possible equally and alike. To this end, all employees shall report promptly when called. Overtime shall be computed by hours.

3. **Rest Time**

It is the intent of this clause to provide proper rest without loss of straight time wages.

(a) Scheduled first shift employees - When call outs begin prior to midnight and continues past midnight, an hour of rest time will be accrued for each hour worked after midnight. If work continues beyond four hours prior to the employee's starting time, the employee will be entitled to the following shift off with pay.

When call out begins after midnight and a full four hours of work is required prior to the employee's starting time, the employee will be entitled to half of the following shift, off with pay. Breaks of two hours or less will be included in determining total consecutive time.

(b) First, second and third shift employees - Except in emergency, no employee shall be expected to work more than sixteen consecutive hours. In the event an employee is required to work more than sixteen consecutive hours, he or she will be compensated at the rate of two and one-half times his or her regular rate of pay. At the end of sixteen hours or more of consecutive work, the employee will be entitled to a rest period of seven consecutive hours before resuming normal operations. This will be without any loss of pay if the seven hours overlap his normal shift. Should more than one-half of the shift be involved, the employee shall have the entire shift off with pay.

(c) Work performed during accrued rest time shall be paid for at the employee's rate plus his or her regular straight time rate.

4. **Notification to Work Overtime**

The Company shall notify an employee who is asked to report for overtime work or to substitute for another employee in sufficient time to enable such employee to obtain sufficient rest before reporting for duty, except in cases of emergency.

5. **Saturday and Sunday Work**

(a) *Saturday* - An employee whose work schedule includes Saturday as a regular work day within his or her regular workweek shall be paid in addition to his regular hourly rate, an allowance for all hours worked as follows:

	<u>3/2/02</u>
Saturday	\$4.45

The premium provided for Saturday work in this section shall be included in the base rate for computing any daily overtime earned by employees whose normal work week includes Saturday.

(b) *Sunday* - An employee whose work schedules includes Sunday as one of five regular work days shall receive, in addition to his or her regular rate, a premium for each scheduled hour of work equal to 50% of base rate.

The premium provided for Sunday work in this section shall in no event be applicable to any hours worked for which overtime is payable

6. **Shift Work and Premiums**

(a) Shift hours in effect will not be changed unless for good and sufficient cause by mutual agreement. It is further understood that a request for change will not be unreasonably denied by either party.

(b) Shifts are defined as follows:

If a majority of the hours of a scheduled shift fall within 8:00 AM to 4:00 PM, the shift will be considered the first shift.

If a majority of the hours of a scheduled shift fall within 4:00 PM to 12:00 Midnight, the shift will be considered the second shift.

If a majority of the hours of a scheduled shift fall within 12:00 midnight to 8:00 AM, the shift will be considered the third shift.

All of the shifts described above will be considered to be within the twenty-four (24) hour period normally included in the calendar day.

An employee regularly scheduled to work on the second shift and third shift shall be paid, in addition to his or her regular hourly rate, a premium for all hours worked as follows:

	<u>3/2/02</u>	<u>3/2/07</u>
Second Shift	\$ 1.50	\$1.60
Third Shift	\$ 1.65	\$1.75

(c) If an employee works on a schedule providing four (4) nights and one (1) day in the same week, he or she will be paid night shift premium for forty (40) hours.

(d) Such shift premiums shall not apply to wages continued during disability or following an industrial accident. They shall apply, however, to vacation and holiday allowances.

If an employee is not entitled to a shift premium during his or her regularly scheduled hours, he or she will not receive a shift premium during overtime hours.

7. Call Out

When an employee not on stand-by is called out at any time outside of his or her regular working hours, he or she shall receive a minimum of four (4) hours pay at time and one-half.

When an employee assigned to service not on standby is called out at any time outside of their regular working hours, he or she should be paid for actual time worked before the start of his or her shift at time and one-half. Employees called out on their day of relief shall receive a minimum of four (4) hours pay at time and one-half.

When an employee on standby is called out one or more times, all time worked within a four-hour period shall be cumulative toward the four-hour minimum and time and one-half shall be paid for hours so worked.

When an employee is called out during unscheduled hours, he or she will be credited with the time reasonably required beginning at the time the call is made to travel from his or her home to the work station or job and back to his or her home, with maximum travel time each way not to exceed one-half (1/2) hour.

8. Reporting for Work Guarantee

An employee who is requested during his or her regular working hours to report before his or her next normal shift starting time or an employee who is on the Company premises and is

requested to work overtime shall be paid for a minimum of one hour at time and one-half for time worked before his normal shift hours.

If such employee is scheduled in advance for overtime work on a day of relief, he or she will be paid the four (4) hour minimum if the overtime work is canceled unless he is notified of the cancellation prior to the close of the preceding regularly scheduled workday. If no such notice is given, the employee will report for work as scheduled.

9. Funeral Leave

(a) Time off for three (3) days paid by the Company in the event of the death of an employee's spouse, child, father, mother, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandchild or grandparent. Time off for one (1) day paid by the Company in the event of the death of an employee's uncle or aunt. In the event that any of the foregoing live in the immediate household of the employee, the one (1) day may be extended at the discretion of management.

(b) The period during which the paid time off is applicable is from the date of the death to the day after the funeral inclusive. Any days falling within this period which are not worked and which are scheduled days of work for the employee, will be paid, up to a total of three (3) days, provided the employee attends the funeral. If unscheduled work days fall within this period, they are not paid for.

(c) The intent of this clause is to permit an employee to take time off for the purpose of attending the wake and funeral of a deceased member of the family without losing regular pay, up to the three (3) day maximum. It is not the intent to grant three (3) days of time off with pay because of the occurrence of the death of a family member if the employee does not attend the funeral.

10. Jury Duty

The Company will pay an employee who has completed his or her probationary period and who is called for jury duty, the difference between this regular straight hourly pay for the time lost for the period of jury service and the amount of compensation received for jury duty upon presentation of proper evidence thereof. During this period of jury service, he or she will be deemed to be on a Monday-through-Friday day schedule. Jury duty make-up pay shall not exceed eight (8) hours' pay in any one day. Employees who are excused from jury duty before noon shall return to work for the remainder of that day.

11. Meals

Meals will be provided by the Company when:

(a) Overtime work continues at the end of the day or at the end of a shift and lasts two (2) hours or more.

(b) Overtime work continues for an additional period of four (4) hours or more after the first meal period, an additional meal will be provided.

(c) Where an employee is called out for overtime work that lasts four (4) hours or more.

(d) An employee engaged in continuous operation is called out to cover a shift on such short notice that he or she cannot provide his or her own meal.

(e) It is understood that the allowance shown below may be paid in lieu of providing a meal for employees at the discretion of the Company.

	<u>3/2/02</u>	<u>3/2/07</u>
<i>Allowance</i>	\$ 10.75	\$ 11.00

12. Military Training

Employees with one (1) year's service who are members of the reserve components of the Armed Services of the United States or the National Guard and who are required to report for their annual tour of military training duty shall be granted a leave of absence for such purpose not to exceed two (2) weeks in any calendar year. Such employees shall be paid for any loss in pay during such time computed on the basis of the difference between their straight time rate of pay for forty (40) hours and one (1) week's military base pay, including longevity pay and dependency allowance, but exclusive of any subsistence or travel allowances, for each week of such absence. Such payment shall be made upon the employee's return to work and upon receipt of a certificate from the proper military officer showing the amount received while engaged in such military training duty. If the two (2) week period of duty occurs in the summer, the vacation for such employees shall be assigned by the Company apart from the provisions set forth in Section 3 of Article VIII.

The parties agree that the Company Policy on Reservists Compensation and Benefits dated 1/1/91, will be adhered to for the Bargaining Unit Reservists.

13. Uniforms

The Company will supply uniforms to collectors, meter reader/collectors, service technicians and fitters, street personnel, meter changers and employees in the plant or shop to include custodians, storeroom clerks and parts distributor. A complete uniform will have insignia on the shirt and will include an identification badge for those with direct customer contact. Employees will not wear their uniforms other than for Company business.

The Company will provide to the Plant Maintenance Section, four (4) pairs of coveralls for common use.

A joint Union Management Committee shall review the issuance of uniforms.

Employees issued uniforms will be required to wear the complete uniform during working hours.

14. Tools

The Company shall furnish all necessary and proper tools, and shall replace or repair worn or damaged tools.

The Company will require that worn or damaged tools be turned in to stores before replacement tools are issued.

Individual employees shall be responsible for tools assigned to their use.

15. Stand-By

An employee in the Distribution Department who, in addition to working his or her normal work week, is required to be on-call and must stand-by available to respond immediately to a request to work anywhere in the service area of the Company, shall be paid an allowance effective as follows:

<u>3/2/02</u>	<u>3/2/07</u>
\$25.00/day	\$28.00/day

NOTE: Distribution Department must have at least a six-crew rotation which would be an eighteen (18) person roster for stand-by coverage.

16. Inclement Weather Allowance

In the event of severe rain or snow or other weather conditions to such degree that regular work cannot reasonably be performed, the Company will, except where emergency work is required, either permit employees to seek shelter if available or will return the employees to the plant for assignment to other work, within the same or lower wage grade during such severe weather conditions. Field personnel will not leave their job site without the approval of a supervisor.

17. Safety Eyeglasses and Safety Shoes

The Company will pay towards the cost of one pair of prescription safety eyeglasses following a new prescription or breakage in the course of performing regular work, the following allowance:

3/2/02
\$45.00

The Company will pay towards the cost of approved safety shoes for an employee:

3/2/02

\$90.00/year or
\$45.00 per pair

To become eligible, an employee must present the Company with a receipt of purchase. An employee may purchase up to two (2) pairs of approved safety shoes in a calendar year.

VIII. VACATIONS

1. Eligibility

(a) Regular employees who complete six (6) months of service by September 1 of the present calendar year shall be entitled to one week of vacation with pay.

(b) Regular employees who complete twelve (12) months of service by September 1 of the present calendar year shall be entitled to two weeks of vacation with pay.

(c) Regular employees continuously employed by the Company, who meet the service requirements by December 31 of the present calendar year, shall be entitled to vacation with pay as follows:

<i>Service Required</i>	<i>Vacation Earned</i>
Five Years	3 weeks
Ten Years	4 weeks
Twenty Years	5 weeks

2. Allowance

(a) Vacation pay shall be based on an employee's regularly scheduled 40 hour straight-time rate, including shift differential and Saturday premium, if any. Employees whose days of relief change due to rotation will be deemed to be on a Monday through Friday schedule.

(b) Employees required to work during their vacation period shall receive, in addition to their vacation pay, time and one-half for all time worked.

(c) The Company shall grant vacation pay instead of time off for any vacation earned when an employee has been absent due to disability and unable to take vacation time earned.

(d) An employee entitled to more than three weeks of vacation with Company approval, may elect to receive the vacation pay for earned vacation in excess of the three weeks instead of time off. This pay in lieu of the time off shall be paid by the 15th of December.

3. Scheduling Vacations

(a) Vacations shall be scheduled by the Company, subject to operating requirements, with consideration given to the preference and the length of service of individual employees.

(b) Employees shall submit their first and second choice preference for the first two weeks vacation and their preference for subsequent weeks vacation on or before January 15 of each year, and a vacation schedule will then be prepared and posted by February 15, but this will not preclude the assignment of vacations between January 1 and January 15 when operating requirements within a classification or department so permit.

(c) Subject to operating requirements, the senior employees shall have the choice of dates for the first two weeks of vacation when there is a conflict between the preference of employees.

(d) After the first two weeks vacation period has been determined for each employee, senior employees may request additional weeks of vacation during periods when the vacation schedule indicates more individuals can be spared from their classification and department.

Such additional vacation time shall be granted according to seniority and when there is no adverse effect on operations.

(e) If an employee does not submit by February 1 his or her choice of time for vacation, the Company will designate his or her vacation time in order to complete the vacation schedule.

(f) Nothing herein will preclude the Company from considering a request for rescheduling a vacation and granting such a request where there are no conflicts and no adverse effects on operations.

(g) An employee may elect to defer vacation time earned in excess of two weeks up to a maximum of four deferred weeks so that an extended vacation may be scheduled to include all of the time deferred. The taking of deferred vacation shall be granted when there are no conflicts and no adverse effects on operations.

(h) Subject to operating requirements and usually following advance notification and authorization, and at no added cost to the Company, an employee may elect to take up to a maximum of one week of eligible vacation one day at a time.

4. Earned Vacation at Termination

Vacation earned within the calendar year and not taken shall be paid to the employee upon retirement, termination and the beginning of a layoff.

The Company shall be given written notice of resignation by the employee fifteen (15) days prior to the effective date of such resignation and the Company shall give any employee fifteen (15) days notice prior to the effective date of any termination or pay in lieu thereof, except where any employee is discharged for cause.

5. Holiday During Vacation

When a holiday occurs within an employee's vacation period, and he or she would normally lose the holiday, he or she will be granted an additional day of vacation or an additional day's pay, subject to the following. Up to twenty percent (20%) of the employees in the Service Department and in the Street Department may have the option of taking the additional day of vacation within a period of thirty (30) days following the holiday; in the case of employees in other classifications, a reasonable number will be permitted this option.

IX. HOLIDAYS

1. Holidays Observed

The following days shall be recognized as holidays on the days on which they are observed:

New Year's Day	Columbus Day
Washington's Birthday	Veteran's Day
Patriot's Day	Thanksgiving Day
Memorial Day	Floating Holiday
Independence Day	Christmas Day
Labor Day	Employee's Birthday

When there is a conflict between the day on which a holiday is observed in Massachusetts and the Federal Government, the Company will observe the holiday on the day which the Federal Government observes the holiday.

2. Holiday Hours

For administrative purposes, it is understood that the holiday begins at 12:01 AM and continues for twenty-four (24) hours.

3. Allowance for Observed Holidays

All employees shall receive normal compensation for eight (8) hours on each holiday as specified in Section 1 when not assigned to work on such holiday.

4. Equivalent Time Off

(a) Gas Supply employees, Service Technicians and Meter Changers shall receive holiday pay or equivalent time off whenever a holiday occurs on a scheduled day of relief. Up to twenty percent (20%) of the employees in the Service Department and in the Street Department may have the option of taking the equivalent time off within a period of thirty (30) days following the holiday; in the case of employees in other classifications, a reasonable number will be permitted this option.

(b) An employee who wishes to take his or her birthday holiday on a day other than his or her normal birth date shall request time off two weeks in advance and the request shall be acknowledged within one week. Such request shall not be refused provided that available manpower is consistent with operating requirements of the department.

5. Allowance for Holidays Worked

All hours worked on a holiday that is the employee's regularly scheduled workday shall be compensated at twice the employee's regular rate for the hours actually worked in addition to the allowance granted for the holiday. When an employee is scheduled to work on a holiday he or she will have the choice of receiving the allowance granted for the holiday or receiving an additional day off. Such time off must be scheduled with the employee's supervisor within the next twelve (12) months.

All hours worked on a holiday that is not the employee's regularly scheduled workday shall be compensated at two and one half times the employee's regular rate for the hours actually worked in addition to the allowance granted for the holiday.

X. OPPORTUNITIES FOR ADVANCEMENT AND RECOGNITION

1. Job Posting

(a) Notice of a vacancy in an existing position or in a newly-created position shall be posted at places accessible to employees and shall remain posted for a period of five (5) days, within which time applicants eligible and desiring to fill such vacancy shall apply in writing to the official of the Company to be designated in the notice. Such notice shall also set forth the title of the position to be filled, hours of service, days of relief, rate of pay and outline of duty. Within one (1) week after expiration of the posting period, the Company shall assign the accepted applicant to such vacancy or newly-created position. The Company will send the Union Committee copies of all postings on jobs and will notify the Union Committee as to who has been assigned to the position. When time is required for obtaining a replacement for an employee who has been awarded a job bid, the employee awarded the job will receive the rate of the new job, although still held on the old job, on and after thirty (30) days from the date he was awarded the job if one (1) or two (2) postings are involved, or on and after sixty (60) days from such date, if three (3) or more postings are involved.

(b) It is understood that it is not necessary to post job openings in a related job sequence other than the entry job as the opportunity for promotion is open only to the senior qualified employee in the next lower job.

(c) Postings for non-progression and entry positions of progression jobs shall be open to Company-wide bidding.

(d) After a successful bid, if an employee chooses to return to his or her former job or is returned to his or her former job by the Company as a result of unsatisfactory performance, such employee shall be disqualified from further bidding for a period of three (3) months, or for three (3) months if he or she is returned by the Company.

(e) New employees may not bid for the first six (6) months of employment and, regardless of length of service, no employee may make a successful job bid more than once every three (3) months.

2. Eligibility and Qualifications

(a) When a new position is created, or a vacancy occurs in any classification, employees with the longest period of service with the Company in a bargaining unit position shall be entitled to the position if qualified by fitness and ability. Management shall determine fitness and ability in the case of promotion and transfer.

(b) Any employee assigned to a new position shall have thirty (30) days in which to qualify. If, in the opinion of the Company, he or she is competent, he or she shall be retained in the new position. If he or she is unable to qualify, he or she may return to his or her former position; but he or she shall not have the right to attempt to qualify for another position for ninety (90) days thereafter.

When forces are increased, or when there is a vacancy that cannot be filled in accordance with the provisions of Section 1 hereof, the Company shall have the right to hire an applicant not previously in the employ of the Company, or to offer the position to any employee and such employee shall be on probation until qualified.

XI. EMPLOYMENT SECURITY

1. Employment Assured

(a) See below:

- 1) All current employees hired prior to March 2, 1997 will not be laid off during the term of this agreement.
- 2) Effective March 2, 2003, all employees hired prior to March 2, 1998 will not be laid off during the term of this agreement.
- 3) Effective March 2, 2004, all employees hired prior to March 2, 1999 will not be laid off during the term of this agreement.
- 4) Effective March 2, 2005, all employees hired prior to March 2, 2000 will not be laid off during the term of this agreement.
- 5) Effective March 2, 2006, all employees hired prior to March 2, 2001 will not be laid off during the term of this agreement.
- 6) Effective March 2, 2007, all employees hired prior to March 2, 2002 will not be laid off during the term of this agreement.

(b) An active employee who has or attains ten (10) years of service with the Company will not be laid off or receive a reduction in his or her hourly rate of pay because of consolidation with another company, automation or change in operations, technological changes, or for any other reason.

An active employee who has or attains seven (7) years of service with the Company will not be laid off or receive a reduction in his or her hourly rate of pay of more than

one wage grade because of consolidation with another company, automation or change in operations, technological changes, or for any other reason.

An active employee who has or attains five (5) years of service with the Company will not be laid off or receive a reduction in his or her hourly rate of pay of more than two wage grades because of consolidation with another company, automation or change in operations, technological changes, or for any other reason.

(c) Employees who hereafter enter military service and are entitled to be re-employed under any law providing for the re-employment of employees returning from military service, will be re-employed in accordance with the statutory provisions in effect at the time such employee returns from the service.

2. Seniority

Seniority shall begin when an employee was or shall be first hired by the Company, except that where an employee has been dismissed and rehired or has voluntarily left the employ of the Company and has been rehired, seniority shall begin when such employee is rehired. Seniority shall apply Company-wide for employees in the bargaining unit.

3. Layoffs

(a) If forces are reduced, employees having the shortest length of service with the Company shall be furloughed first providing, however, such employees are capable of being replaced by employees with more seniority who are qualified by fitness and ability to perform the work.

(b) If forces are reduced in any classification, an employee who has been transferred to the classification from another classification shall be permitted to return to his or her former classification without loss of seniority in that classification, if qualified by fitness and ability, provided there is work available and provided further he may not replace an employee with more seniority.

4. Benefits Continued During Layoff

While an employee is on furlough or layoff, or on leave of absence granted because of personal disability, all benefits provided for the employee and his or her dependents including pension, life insurance, hospitalization, surgical, master medical, dental, etc., shall be continued for up to a maximum of two (2) years following the last day worked for the Company.

The above provision with respect to employees on furlough and layoff will apply only to regular employees hired prior to March 1, 1994. Further, the provision with respect to employees on furlough and layoff will expire on March 1, 1997, if there are no layoffs during the period March 2, 1994, through March 1, 1997.

(b) Furloughed employees who are not re-employed within two (2) years from date on which furlough begins, shall have no seniority rights thereafter.

(c) Furloughed employees who have returned to work shall be credited with full seniority rating.

5. Suspensions and Discharge

Within seven (7) days (or a mutually agreed extension by the Company and Union) from the date on which any Regular employee has been Suspended or Discharged, the Company shall, upon written request of the Union, grant a hearing to the employee involved. Upon receipt of the foregoing request the Company shall inform the Union of the reason for the Suspension or Discharge giving all pertinent information. The hearing shall be conducted for the Company by the Manager or department head. At the hearing or at the time of appeal, the employee charged shall be represented by the Union and shall have the right to summon witnesses. If exonerated, the employee shall be reinstated without loss of seniority, and compensated for loss of wages.

If the Union disagrees with the suspension or discharge of the employee or employees involved, the matter shall be referred to immediate arbitration under Article XIV, Section 3, (c).

6. Severance Pay

The Company will pay severance allowance to eligible employees as follows:

(a) Regular employees, after one year of service, shall be given an opportunity to accept a severance allowance of one (1) week's base pay for each full year of continuous service when the Company is involved in a layoff.

(b) Severance allowance shall be in addition to any earned vacation benefits for which the separated employee is eligible.

An employee who is laid off shall not be required to accept severance pay. He or she shall have an option; effective up to ninety (90) days following the date he or she receives from the Company notice of termination, to accept or not to accept severance pay. Should he or she elect severance pay, it will be a full release of all rights and benefits with the Company. In case he or she elects not to accept severance pay he or she shall not lose his or her re-employment rights, but shall retain all re-employment privileges which the contract between the Company and the Union or which the practice of the Company provides.

XII. PERSONAL SECURITY

1. Pension

Pension plans, as defined in the plan document for the Pension Plan for Operating Employees of Bay State Gas Company, as agreed upon between the Company and the Union, shall continue for the life of this agreement and succeeding agreements, subject to such modifications as may be mutually agreed upon by the parties hereto.

All covered employees, in accordance with the plan document, who take normal retirement during the term of this agreement, shall receive a pension benefit as stipulated below.

The pension plan formula shall be a final average pay formula. The final average pay pension benefit shall be calculated using an average of the highest three (3) years base pay in the last ten (10) years up to a maximum of Sixty-Thousand dollars (\$60,000) using a multiplier of one and one quarter percent (1.25%) of such final average pay times the years of service up to a maximum of forty-five (45) years. The sixty-thousand dollar (\$60,000) cap shall be increased to sixty-five thousand dollars (\$65,000) on January 1, 2005.

An employee is vested after five (5) years of service. For vested employees there is a lump-sum option to cash out of the pension plan available at any time when the employee terminates for any reason.

2. Early Retirement

Employees who have attained age 55 and who have completed ten (10) or more years of credited service as defined in the plan document for the Pension Plan for Operating Employees of Bay State Gas Company, may retire on the first of any month thereafter.

An employee will be entitled to receive an unreduced retirement benefit at age 60 if the employee has at least 25 years of service with the Company. In the event an employee decides to retire prior to age 60, the retirement benefit would be calculated as follows:

- (a) If the employee has 25 or more years of service with the company, the retirement benefit would be reduced by 3/10% for each calendar month between the date the employee actually begins to receive the retirement benefit and age 60.
- (b) If the employee has less than 25 years of service, the retirement benefit would be reduced by 3/10% for each calendar month between the date the employee actually begins to receive the retirement benefit and age 65.
- (c) There is a Social Security supplement (bridge) for employees who retire between the ages of sixty (60) and sixty-two (62), payable during that period.

3. Life Insurance

The Company shall make available to regular full-time employees group life insurance subject to the terms and conditions of the Master Policy in effect with the insurance carrier.

Each regular full-time employee shall be provided life insurance by the Company in an amount equal to two (2) times their base pay.

The amount of life insurance in effect at the time an employee reaches age 65 will be reduced by 35% on their 65th birthday.

The amount of life insurance available to an employee who retires and receives a pension under the Company's Pension Plan described in Section 1 of this Article, will be five-thousand dollars (\$5,000.00).

4. Accidental Death and Dismemberment

The Company will make available to regular full-time employees accidental death and dismemberment insurance subject to the terms and conditions of the Master Policy with the insurance carrier. The amount of accidental death and dismemberment insurance an employee is eligible for is two (2) times their base pay.

5. Hospitalization - Surgical - Medical Benefits

All regular employees shall have the option, prior to January 1 of each year, to elect one of the medical options offered by the Company. The Company agrees to pay at least 80% of the premium cost and the employees will pay no more than 20% of the premium cost.

- (a) Blue Cross Blue Shield Anthem Plan
- (b) Blue Cross Blue Shield Master Health Plan
- (c) Any of the Health Maintenance Organizations (HMOs) located in the Brockton area as follows:
 - HMO Blue
 - Harvard Pilgrim Community Health

Employees may elect not to have (a), (b) or (c) above, and instead receive \$1650.00 for each full year they elect not to be in one of the above plans.

- (d) The medical options included in (a), (b) and (c) above will include prescription drug coverage.
- (e) The Company will provide employees who are covered under Plan (a), (b) or (c) outlined above with about the same coverage when they retire until the retiree becomes eligible for Medicare, if they meet all of the following requirements:
 - 1) Retire under the provisions of the Company Pension Plan.
 - 2) Is receiving a pension benefit under the Company Pension Plan.
 - 3) Attained age forty-five (45) as of September 1, 1991.

The Company may utilize a Voluntary Employee Benefit Association Trust to fund retiree medical benefits.

When a retiree becomes eligible for Medicare, he or she shall be provided coverage equivalent to the Blue Cross-Blue Shield Medex III Plan. The Company can require a retiree to apply for coverage under Medicare as a condition of this benefit.

- (f) Employees hired after March 2, 1991, and employees who had not attained age forty-five (45) by September 1, 1991, will not be provided medical insurance benefits upon retirement in accordance with the above provisions. However, employees excluded from the above provisions for post retirement medical benefits will be eligible for the defined dollar post retirement medical benefit as described in Section 6 of this Article XII.
- (g) Employees after having completed one year of service with the Company will receive the following contributions to their 401(k) Savings Plan.

Effective 3/2/94 - 3/1/97: 100% Company match
for first 2.5%.

Effective 3/2/97, 50% Company match on first 5%.

(g) The definition of a dependent is a spouse or child over 14 days old and under 19 years of age, or a full time student under 23 years of age.

6. Post Retirement Medical Benefits

Effective January 1, 2002, employees who are members of the Utility Workers Union of America, Local 273, Operating Unit, and who retire after January 1, 2002, under the Pension Plan for Operating employees of the Company, will be eligible to participate, in accordance with the Plan Document and generally as described below, in the Defined Dollar Retiree Medical Plan offered by the Company.

Annual Company Subsidy per Year of Credited Service:

Pre-Medicare

Post Medicare

Retiree Spouse

Retiree Spouse

\$150

\$75

\$30

\$15

No cash is available. Subsidy only received if retiree buys coverage through the Company.

NOTE: Employees and retirees who qualified for post retirement medical coverage under Article XII, Section 5, Paragraph (e), sub sections (1), (2) & (3) of the present Agreement will be grandfathered in those benefits and will not be eligible for the benefits described above.

7. Dental Benefits

This coverage provides for payment of incurred covered dental expenses subject to a calendar year deductible of twenty-five dollars (\$25.00) per person for Basic and Major Services.

The Dental Plan will pay 80% of Preventive, 80% of Basic and 50% of the cost of Major services as defined in the Plan Document. Payment for incurred covered dental expenses will be based on Reasonable and Customary charges for a specific geographic location, as determined by the Dental Insurance Carrier, subject to a maximum of one thousand dollars (\$1,000.00) for each calendar year applied separately to each insured family member.

Orthodontic services for qualified dependent children are covered on the basis of 50% of covered expenses with a maximum of one thousand dollars (\$1,000.00) for each child. Employees must complete one (1) year of continuous employment with the Company before being eligible for dental coverage.

8. Dependent Care

Effective 7/1/91, the Company will offer the dependent care spending account program with a maximum contribution of \$5,000.00 per calendar year.

9. Disability Benefits - Illness, Accident

(a) Illness and Non-Occupational Accident

The Company will pay the full amount of the employee's regular daily wage for any day or days lost due to illness or accident within his or her first three (3) regular days of work provided the Company is satisfied as to the legitimacy of the disability claim.

If the disability lasts for four (4) regular days of work or more, when such disability is verified by a physician's certificate, the Company will continue the employee's regular daily pay for up to a maximum period of twenty-six (26) weeks.

If the employee is still disabled after twenty-six (26) weeks on account of one disability, the Company will review the case with the Union.

(b) It is understood that employees shall comply with all reasonable regulations introduced to govern reporting of absence and control of any abuse.

A Joint Committee of three (3) Company and three (3) Union representatives is to be established to review and evaluate the disability pay plan and attendance for the purpose of correcting any abuses thereunder.

The Company shall initiate action to correct abuse of the wage continuation program. No corrective action shall be taken before the Attendance Committee is advised. All such corrective actions initiated by the Company shall be subject to the grievance procedure.

(c) Any employee claiming disability benefits may be required to submit to an examination by a physician designated by the Company. Should there be any disagreement between the Company-designated physician and the employee's attending physician, the two physicians shall refer the question to a mutually acceptable specialist or diagnostic clinic in the Boston area for a final and binding determination of the eligibility of the employee for benefits or continuation of benefits.

If an employee of the Company covered by this Agreement is eligible to receive any benefits under Chapter 90, Section 34A of the Massachusetts General Laws (no fault automobile insurance), such employee shall not be eligible to receive any of the benefits described in this Article, provided that if the benefits said employee would have received under the plan described herein above exceeds the benefits for lost wages which he or she is eligible to receive under said section 34A, the Company shall pay the difference.

10. Occupational Disability

(a) The Company will pay the full amount of the employee's regular daily wage for a regular day or days of work lost up to the first five (5) working days if there is no Worker's Compensation Insurance benefit. If the insurance benefit is retroactive to the first day, the

Company will make up the difference between the insurance benefit and the employee's regular daily rate for the first five (5) regular days of work.

(b) If the disability continues for more than five (5) working days, and the employee qualifies for Worker's Compensation, no additional benefit will be paid by the Company. If the employee is still disabled after twenty-six (26) weeks on account of one accident, the Company will review the case with the Union. During this twenty-five (25) week period, there will be no medical insurance premium contribution required by the employee.

(c) Employees are required to notify the Company immediately upon receiving payment from Worker's Compensation and must immediately refund the amount received from Worker's Compensation during the above period.

11. Long-Term Disability

(a) The Company provides an LTD Plan (Long-Term Disability) covering regular employees and which will pay a benefit of sixty-five percent (65%) of straight-time weekly wages (or a combined benefit of seventy percent [70%] when added to the amount of any other income benefits available to the employee for such period) beginning six (6) months after disability, under conditions described in the plan.

(b) The life, hospitalization, surgical, dental, prescription, medical insurance and pension provisions in effect at the time an employee qualifies for long-term disability benefits shall be continued for the employee and his or her dependents while his or her disability continues but not after he or she reaches age 65. When he or she reaches age 65, benefits then provided retirees based on his or her service and earnings shall be granted.

(c) The Long-Term Disability monthly benefit maximum is \$3,000. The monthly benefit maximum in effect on the date an employee becomes eligible for long-term disability payments will remain in effect through the period of disability.

Long-Term disability benefits will not be paid beyond twelve (12) months, unless the employee has applied for and continues to apply for Social Security Disability Benefits.

Employees are required to notify the Company immediately upon being granted Social Security Disability and must immediately refund to the Company any overpayment of long-term disability benefits.

12. Maintenance of Earnings When Partially Disabled

(a) An employee who becomes unable to perform his or her normal duties because of disability shall be provided an opportunity to bump into any classification where he or she has the skills, physical fitness and qualifications to perform the job. The Company will make every endeavor to place a disabled employee in a job he or she can perform.

(b) The level of earnings for such employees who bump into a lower classification and who has attained ten years of service with the Company shall be maintained as follows:

Service Requirements

Level of Earnings

Twenty-five Years

Retain wage grade and hold same step in grade reached at time of disability.

Fifteen Years

Reduce by not more than one (1) wage grade to same step in lower grade. Continue any progression scheduled.

Ten Years

Reduce by not more than two (2) wage grades to same step in lower grade. Continue any progress scheduled.

(c) Such an employee who bumps into a lower grade who has less than ten (10) years of service with the Company shall be paid the step rate nearest his or her present rate, but not to exceed the maximum for the new job and continue the established progression for the new grade.

(d) Such an employee who bumps into a job in a higher grade not in a related job sequence shall be paid the minimum for the job or his or her current rate, whichever is higher, and continue the established progression for the new grade.

(e) Such an employee who bumps into a job in a higher grade in a related job sequence shall be paid the job rate maximum for the entry job, or his or her current rate, whichever is higher, and shall remain at this rate until the required time to earn the step has been served in the classification and shall then progress as qualified from grade to grade as scheduled, provided performance and periodic examination verifies continued eligibility.

(f) While an employee is on leave of absence granted because of personal disability or on layoff, all benefits provided for the employee and his or her dependents, including pension, life insurance, hospitalization, surgical, master medical, prescription, dental, etc., shall be continued for up to a maximum of two (2) years following the last day worked by the Company.

13. Savings Plan

Effective July 1988, the Company will offer a savings plan to eligible employees as described in the plan description. Effective March 1, 1991, the investment options and loan provisions will be offered to all eligible employees.

Employees hired after the effective date of this Agreement and employees who will not be forty-five (45) years of age by September 1, 1991, will receive the following contributions to their 401(k) Savings Plan, after having completed one year of service with the Company:

Effective 3/2/94 through 3/1/97 - 100% Company match on first 2.5%

Effective 3/2/97 - 50% Company match on first 5%.

Note: The plan will be amended to include the changes permitted by the 2001 Tax Act.

14. Change of Carriers

In accordance with State Insurance Regulations and the Employee Retirement Income Security Act, 1976, as amended, (ERISA), ex-spouses of employees will be permitted to participate in the Company medical and dental insurance programs in accordance with any duly entered divorce decree from a court of competent jurisdiction in such matters. However, the party to the court action ordered to provide such coverage will be responsible for payment of any additional insurance premium.

The Company reserves the right to change a carrier or carriers for any of the insurance programs provided for in this agreement. However, should the Company change a carrier or carriers, the provisions of the insurance plans(s) being provided by the new carrier will be, for all intents and purposes, substantially equivalent to the plan provided by the prior carrier.

15. Medical Records

Employees may provide the Union with a written release to secure information from the Company regarding their individual situation as described under Article XII 2, 3, 4, 5, 6, 7, 8, and 9. The Union must have a release from the employee in order for the Company to discuss or release any medical information pertaining to or about the said employee.

16. Duplicate Benefit Reimbursement

An employee will reimburse the Company any wages received from a third party that the Company has already paid.

17. Bargaining Unit Incentive Plan

Effective January 1, 2002, Utility Workers Union of America Local 273 Operating Unit employees will participate in the Company's Bargaining Unit Incentive Plan on the same basis as all other bargaining units.

The Company reserves the right to amend the plan from time to time and to adjust or change the performance and financial modifiers from year to year.

Additionally, as stated in the plan, the executive management of the Company reserves the right to settle all disputes that arise concerning the administration of the plan.

XIII. UNION-MANAGEMENT COMMITTEES

1. Safety Committee

The Company will continue to make reasonable regulations for the safety and health of its employees during their hours of employment, and the Union agrees that its members will use

the protective devices, wearing apparel and other equipment to be provided in accordance with the Company's regulations for the protection of employees from injury.

Safety suggestions made by employees shall be handed to the supervisor or management of the department concerned.

The Union will appoint two (2) of its members to a committee, who will meet at such times and places as meetings are scheduled with an equal number selected by the Company to discuss matters pertaining to employees' safety.

2. Grievance Committee

Any dispute arising during the term of this agreement shall be treated as a grievance and every reasonable endeavor shall be made to settle such dispute by agreement, between the Grievance Committee of the Union, Local No. 273, and the responsible officers of the Company, including the appropriate manager or the head of any department who may be familiar with the grievance, in accordance with the procedure set forth in Section 2 of Article XIV.

3. Attendance Committee - (See Appendix J, Attendance Improvement Program)

There shall be a committee of three (3) Union members selected by the Union who will meet at such time and place as meetings are scheduled, with an equal number selected by the Company to discuss matters pertaining to attendance.

ARTICLE XIV. COMPLAINTS AND GRIEVANCES

1. Grievance Redress

The Grievance Committee of the Union, Local No. 273, shall have the right, in its discretion, to confer with the responsible officers of the Company at reasonable times, and as often as may be necessary for the purpose of adjusting grievances relating to rates of pay, hours of work, the application of seniority or other conditions of employment, in accordance with the procedures set forth in Section 2.

2. Grievance Resolution

Nothing in this section shall be deemed to preclude any employee from discussing any problem or question with his immediate supervisor.

Grievances shall be taken up in the following manner:

(a) The employee with his or her steward shall discuss the grievance with his or her immediate supervisor within ten (10) days of the occurrence.

(b) If the grievance has not been satisfactorily adjusted within ten (10) days, it shall then be reduced to writing with a statement of the facts and issues involved and shall be forwarded to the appropriate manager with a request for a meeting with the steward. Within ten (10) days of receipt of the written grievance, the manager shall schedule and hold such meeting

at a mutually satisfactory time. The steward may have one other Grievance Committee member at this step if desired.

(c) If the grievance remains unsettled after the meeting between the manager and the steward, a further meeting shall be scheduled within ten (10) days between the Vice President at the Division or the Vice President's designated representative, the local Grievance Committee, and a national representative of the Union. A response to the grievance shall be provided within ten (10) days of this meeting.

(d) The time limits specified above may be waived by mutual consent of the Union and the Company.

3. Arbitration

(a) If any dispute arises during the term of this agreement which is not settled by agreement between the Grievance Committee of the Union, Local No. 273, and the responsible officers of the Company, there may be additional conferences as mutually agreed upon between the Grievance Committee of the Union and the responsible officers of the Company.

(b) Prior to the arbitration process, the parties may, through mutual agreement, engage the services of a professional mediator to act in a manner to resolve the grievance through the mediator's recommendation which in no way would be binding upon the parties and cannot be used by either party in the arbitration process.

(c) If there should be any remaining dispute, which is not settled by agreement in the aforesaid conferences, then the existing dispute shall be submitted to arbitration, provided that such request is made by the aggrieved party in writing within forty-five (45) days after the date of the conference at the last step of the grievance procedure.

(d) The aggrieved party, when requesting arbitration, shall do so by delivering to the other party, a notice in writing by registered mail setting forth the grievance and the name of the arbitrator chosen by the aggrieved party. If the Company and the Union fail to agree on an arbitrator within ten (10) days, the aggrieved party may immediately proceed to arbitration by requesting unilaterally the American Arbitration Association to appoint an arbitrator under its rule to arbitrate grievances.

(e) The Arbitrator as designated above, shall schedule a hearing within thirty (30) days following selection and shall render a decision to the parties within thirty (30) days following the hearing or the date set for the filing of any briefs requested.

(f) No Arbitrator shall have the power to add to or subtract from or modify any of the terms of this agreement or pass upon or decide any question except the grievance submitted to the Arbitrator in accordance with the foregoing provisions. No award or decision of an Arbitrator shall be retroactive for more than thirty (30) days before the grievance was reduced to writing as provided in subsection (b) of Section 2 of the provisions for grievance procedure in Article XIV.

(g) Each party shall share equally the expenses and fees of the Impartial Mediator and/or Arbitrator. Other incidental expenses, if any, shall be shared equally by the parties.

4. Honoring Picket Lines

The Company agrees that it shall not compel employees covered by this agreement to cross any picket line that may be established on or around customers' premises as a result of a labor dispute. However, the Union, realizing the Company's obligation to maintain uninterrupted service, will attempt to obtain permission from the striking Union for safe passage through such picket lines whenever necessary.

XV. COMMITMENTS - RESTRICTIONS

1. Notification of Union

Except as otherwise specifically provided in this Agreement, notices and requests from the Company to the Union shall be deemed to have been properly given and served or made when sent by registered mail addressed to KEVIN FRIARY, 132 Ferncrest Drive, Taunton, Massachusetts, 02780, and by the Union when by registered mail to the Company at 995 Belmont Street, Brockton, Massachusetts, 02401. New names and address may be substituted for the foregoing on five (5) days' written notice from either party to the other.

2. Bulletin Boards

The Company will provide reasonable space on designated bulletin boards for use by the Union for posting notices concerning official Union business such as meetings, elections, and appointments, and notices of Union social and recreational activities, and other such Union matters, provided that in the option of the President or his designated representative, such notices are non-controversial in nature and do not adversely affect the best interest of the Company.

3. Supplemental Agreement

Mutual agreement, between the Company and the Union, has been reached concerning the topics under subsections (a), (b), (c), (d), (e), (f), (g), (h) and (i) as follows:

(a) Use of Outside Contractors

The Company may utilize contractors to work in the following areas: service tie-overs, service replacements and joint sealing.

The Company can utilize contractors during peak periods to perform complete jobs on all activities that they currently perform.

When qualified employees are not available to perform service work for a customer during a peak period, the Company may utilize a contractor to provide such service.

- (1) The use of contractor compressors and operators on Company crews will be eliminated.

- (2) Full contractor crews may be used for mains and services during peak periods. Contractors may tap service tapping tees and purge lines two (2) inches and smaller.
- (3) A Company representative (inspector) will inspect each Contractor crew. The Company may use Maps and Records employees for the inspector's role on large main projects. A Street Department inspector will inspect the start and finish of such projects.
- (4) Contractors may be used to furnish special skills and services which are not available from within the Company.
- (5) Contractors' backhoes may be used on Company crews as required. The Company may retain contractor backhoes at locations where work is continued beyond the end of the normal workday if the overtime is expected not to exceed two (2) hours.
- (6) Vacuum Excavators: Contractors' vacuum excavation equipment may be used with the Company crews as required, (example: cutoffs, installing anodes and box work) for a trial period of two years. At the end of such time the Company and the Union will meet to evaluate the impact of this equipment and will reach an agreement as to any change of practice.
- (7) The Union agrees to allow contractors to install anodes and meter fits on new single services.

(b) Welder Recertification

If a Welder fails a recertification test, he will be permitted to try recertification in three (3) months after practice. If he fails the second test, he will be permitted to try one more time in another three (3) months after additional practice. He will retain the Welder's rate during this recertification period (6 months), and the Company will pay the cost of the three tests. If he fails the third test, he will revert to his previous job. If he has not held a previous job, he will be allowed to bump in accordance with Article XI, Section 3.

(c) Patch Truck

If a three-man patch crew is established in the Distribution Department, a Grade Eight (8) leader and two Grade One (1) Laborers will be assigned to the crew.

(d) Miscellaneous

- (1) Inspector job qualifications will be changed to include "must have five years' experience in the Street Department."

- (2) The Company may assign fitters to work on Distribution Department crews when not performing pipe fitting work.
- (3) The Company may assign Welders and Fitters as Distribution Leaders, if qualified, when no welding or pipe fitting work is available.
- (4) Leader positions will be awarded on the basis of qualification testing. Testing criteria will be determined by management and union representatives.
- (5) *Monetary Collections:* The Company will no longer require Service Technicians to collect cash from customers after 4:30 PM. This does not preclude the collection of cash at the Service Technician's discretion.
- (6) *Utility Worker:* Classification will be a twenty-four (24) month progression from Grade 3 to Grade 7. The progression will be administered under the related job sequence provision of Article VI, Wages, Section 3, Paragraph 3.
- (7) *Testing:* The Union will encourage all employees to participate in testing programs designed to improve the selection of new employees. The results of such tests will not be used to evaluate employees.

It is understood that the assignment of up to four meter readers to a Tuesday to Saturday shift, and the procedure for service as a pallbearer as stipulated below, are part of the Agreement between Local 273, UWUA, and Bay State Gas Company effective March 2, 1982.,

(e) Distribution Stand-By Crew

Beginning in 1988, the Company will schedule one crew (the stand-by crew) from the Distribution Department to a Monday through Friday work schedule on a rotating basis.

Three employees will be on each stand-by shift.

Between December 15 and March 1 there will be three (3) employees when excavating in the street.

There will be a minimum of two employees on stand-by calls.

Patching calls will require two employees.

Calls that require less than three employees, assignment will be rotated by seniority.

Example:

1st call	1st employee + 2nd employee
2nd call	1st employee + 3rd employee
3rd call	2nd employee + 3rd employee

Supervisors cannot do work or be second person on crew.

One employee may go out alone if there is a service technician there, for safety reasons. *Example:*

- Blow out boxes
- Turn on/off valves
- Put out barricades

Leader can request third person if he or she feels it is needed. Supervisor will not refuse without assessing job at work site.

(f) Meter Reader Work Schedule

The Company shall schedule (up to) the next four employees assigned to the Meter Reader/Collector classification to a Tuesday through Saturday work week or accept a volunteer from the current Meter Reader/Collector group for such assignment.

(g) Service as a Pallbearer

When requested by the next of kin, the Company shall grant up to four Union members reasonable time off, without loss of pay, to serve as honorary or active pallbearers at the funeral of a deceased Union member.

(h) Issuance and Expiration of Non-Attendance Disciplinary Warning and Suspension Notices

Verbal warnings and written warnings will become inactive after one (1) year from the date of the violation provided there is no intervening discipline. Suspensions will become inactive after two (2) years from the date of the violation provided there is no intervening discipline. Any intervening discipline within the one (1) or two (2) year elimination period, as the case may be, keeps all prior discipline active until expiration of the last warning or suspension notice.

NOTE: Inactive as used here means that warning and suspension notices that have expired will not be used in the future for progressive disciplinary reasons.

(i.) Failure of Operator Certification Requirements

If an employee, who is required to be certified under the operator certification qualification requirements, fails to become certified within the time limits required for certification, such employee will be offered in seniority order the following options, provided the employee has the demonstrated ability to perform the available work.

- A. Employees who are not certified within the time required for certification, will be polled to determine if any wish to accept voluntary layoff. Those volunteering will be laid-off.

Those not accepting voluntary layoff will be offered in seniority order the following options:

- Option 1:** To bump the junior employee in any job title on any shift where operator certification is not required provided he or she has successfully performed the job according to the human resources records of the Company, or is able to meet the requirements of the job following a brief familiarization period under normal supervision.
- Option 2:** To take any open job where operator certification is not required, with preference in choosing among open jobs being given in accordance with seniority. "Open job" as used here includes jobs posted but not bid on and jobs held by probationary employees and/or part time employees.
- B.** Employees exercising Option 2 will be offered the same training offered a successful bidder.
- C.** Any employee eligible to exercise either option 1 or 2 must exercise such option within 24 hours, excluding weekends and holidays, of notice by the company that the employee has failed to meet the operator certification requirements.
- D.** If an employee fails to exercise his or her option(s) with the time frame above, such failure to act will be deemed to be a waiver of the right to exercise such option(s) and the Company shall then proceed with the procedure by placing the employee in accordance with option 1 or 2.
- E.** Any employee who exercises his or her right to bump under Option 1 or 2 and fails, will be placed on indefinite layoff.

MEMORANDUM OF UNDERSTANDING

The Bay Stay Gas Company, Brockton Division and local 273, Utility Workers of America, AFL-CIO, mutually agree that the following memoranda of understanding, letters of understanding, etc., are part of this Agreement:

1. Memorandum of Understanding – 1994 Amendment to the Surviving Spouse Provision of the Pension Plan dated 3/1/94.
2. Letter of Understanding – Temporary Transfer Reporting Locations, dated 2/25/94.
3. Memorandum of Understanding – Peak Periods dated 4/14/99.
4. Memorandum of Agreement – Meter Technician wage grade dated 9/17/99
5. Memorandum of Agreement – Plotting gas infrastructure dated 4/14/99
6. Memorandum of Agreement- Contract Locating

Note: Signatures printed for administrative purposes.

**MEMORANDUM OF UNDERSTANDING
1994 AMENDMENT TO THE SURVIVING SPOUSE PROVISION OF THE
PENSION PLAN**

In the event of the death of an employee with 20 years of service and less than 55 years of age, the pension benefit payable to the surviving spouse will be reduced by 43/100 of 1% per month.

P.W. Kallaugh
For the Company
Dated: 3/1/94

W.H. Gallagher, Jr.
For the Union

**Letter of Understanding
Temporary Transfer Reporting Locations**

Temporary transfer for up to 3 months:

1. Use Company vehicle if possible, but travel on own time.
2. If necessary to report with personal vehicle, will be paid the agreed upon flat rate mileage from station to station.

Service Department

Temporary transfer up to 3 months:

1. Employee's choice to report to Brockton or to Satellite where vacancy exists.

Both Departments:

For a vacancy of 3 months or more:

Post vacancy inter-departmentally by seniority, if not successful, junior person will report.

Meter Department

1. Current reporting location practices will continue.

P.W. Kallaugh
For the Company
Dated: 2/25/94

W.H. Gallagher, Jr.
For the Union

**MEMORANDUM OF AGREEMENT
PEAK PERIODS**

The Parties to the collective bargaining agreement, Bay State Gas Company, hereinafter the Company, and the Utility Worker's Union of America, AFL-CIO, Local 273, Operating Unit, hereinafter the Union, in full and complete settlement of AAA Case #11-390-00784-98, Grievance #23-97, hereby agree as follows:

With regard to the language permitting "contractors during peak periods to perform complete jobs," in Article XV, section 3(a), the parties agree that the Company will not use contractors to do two inch (2") main tie-ins and low pressure service taps during the period December 15 through June 15. In addition, during the period of June 15 through December 15, the Company will not use contractors to perform those functions if distribution department employees have been voluntarily flexed out of the distribution department.

John A. Hutton
For the Company
Dated: 4/14/99

Kevin E. Friary
For the Union

MEMORANDUM OF AGREEMENT **Plotting of all Gas Infrastructure**

The parties to the collective bargaining agreement, Bay State Gas Company, hereinafter the "Company" and the Utility Workers Union of America, AFL-CIO, Local 273, Operating Unit, hereinafter the Union, hereby agree as follows in full and complete settlement of Grievance #24-97 (Maps and Records Grievance).

With the exception of the mapping backlog currently assigned to contractors, the company agrees that:

1. The plotting of all gas infrastructure (mains, services, etc.) on company maps shall be performed by Local 273 bargaining unit employees.
2. The Company may, at its discretion, secure base maps from any available source.

John A. Hutton
For the Company
Dated: 4/14/99

Kevin E. Friary
For the Union

MEMORANDUM OF AGREEMENT **Contract Locating**

The parties to the collective bargaining agreement, Bay State Gas Company, hereinafter the "Company" and the Utility Workers Union of America, AFL-CIO, Local 273, Operating Unit, hereinafter the "Union" hereby agree as follows:

1. The locating and marking of gas mains and services shall be performed by Local 273 bargaining unit employees.

2. The Company may, at its discretion, utilize contractors during peak periods to supplement the work force.

John A. Hutton
For the Company
Dated:

Kevin E. Friary
For the Union

XVI. AGREEMENT

1. Duration

The term of this Agreement shall begin on the day first above written and shall be binding upon the parties hereto, and shall remain in full force and effect until terminated in either of the following manners:

- (a) By way of any lawfully constituted authority of State or U.S. Government, whichever has jurisdiction.
- (b) On and after March 1, 2008, by notice in writing by either party to the other at least sixty (60) days prior to such termination.

2. Assignment

This agreement shall be binding upon and insure to the benefit of the parties hereto and their respective successors and assigns and the words "Company" and "Union" respectively shall be construed to include their respective successors and assigns. The word "Company" as used in this Agreement, shall also include its predecessor, Brockton Taunton Gas Company, wherever applicable.

3. Legal Stipulation

During the term of this agreement, should any provision or part thereof become illegal, the rest of the agreement will continue in force and effect.

4. Continuation

Whenever notice to terminate this Agreement, as provided under subsection (b) of Section 1, of Article XVI, is given, the parties hereto agree that at least thirty (30) days prior to the date of such termination, they shall confer jointly for the purpose of negotiating another agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written each by officers duly authorized.

**UTILITY WORKERS' UNION OF AMERICA, AFL-CIO,
LOCAL UNION NO. 273**

_____	Kevin E. Friary	President
_____	Thomas McCarthy	Vice President
_____	Brian McCarthy	Secretary
_____	Timothy Leary	Treasurer
_____	John Gately	Negotiating Committee Member
_____	Michael Wasylow	Negotiating Committee Member
_____	Robert Lannigan	Negotiating Committee Member

UTILITY WORKERS' UNION OF AMERICA

_____	John Holland	National Representative
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**BROCKTON FIELD LOCATION
BAY STATE GAS COMPANY**

_____	John A. Hutton	Senior Director Human Resources and Labor Relations and Chief Spokesperson
_____	F. William St.Cyr	Operations Manager, Brockton
_____	Michael L. Laghetto	Manager, Distribution
_____	James J. Murphy	Manager, Service Meter
_____	Maureen E. Pike	Human Resources Generalist

APPENDIX A

**WAGE RATE PROGRESSION
MARCH 2, 2002**

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 18 Months	Job Maximum 24 Months
1	14.47	15.16	15.84	16.50	17.22
2	15.40	16.09	16.80	17.49	18.20
3	16.33	17.06	17.77	18.51	19.23
4	17.38	18.12	18.85	19.57	20.30
5	18.51	19.22	19.93	20.62	21.34
6	19.54	20.31	21.08	21.85	22.62
7	20.65	21.47	22.29	23.13	23.95
8	21.76	22.63	23.51	24.43	25.31
9	22.88	23.87	24.86	25.84	26.80
10	24.11	25.23	26.34	27.50	28.64

APPENDIX B

**WAGE RATE PROGRESSION
FEBRUARY 1, 2003**

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 18 Months	Job Maximum 24 Months
1	14.83	15.54	16.23	16.92	17.65
2	15.79	16.49	17.22	17.92	18.66
3	16.74	17.48	18.22	18.97	19.71
4	17.81	18.58	19.32	20.06	20.80
5	18.97	19.70	20.42	21.14	21.87
6	20.03	20.81	21.61	22.40	23.19
7	21.17	22.01	22.85	23.71	24.55
8	22.30	23.20	24.10	25.04	25.94
9	23.45	24.47	25.48	26.49	27.47
10	24.71	25.86	27.00	28.19	29.35

APPENDIX C

**WAGE RATE PROGRESSION
FEBRUARY 1, 2004**

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 18 Months	Job Maximum 24 Months
1	15.20	15.93	16.64	17.34	18.09
2	16.18	16.91	17.65	18.37	19.13
3	17.16	17.92	18.67	19.45	20.20
4	18.26	19.04	19.80	20.56	21.32
5	19.45	20.19	20.93	21.67	22.42
6	20.53	21.33	22.15	22.96	23.77
7	21.70	22.56	23.42	24.31	25.17
8	22.86	23.78	24.70	25.66	26.59
9	24.04	25.08	26.11	27.15	28.16
10	25.33	26.50	27.68	28.89	30.09

APPENDIX D

**WAGE RATE PROGRESSION
FEBRUARY 1, 2005**

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 18 Months	Job Maximum 24 Months
1	15.58	16.33	17.05	17.77	18.54
2	16.58	17.33	18.09	18.83	19.60
3	17.59	18.37	19.14	19.93	20.71
4	18.72	19.52	20.30	21.07	21.86
5	19.93	20.70	21.46	22.21	22.98
6	21.04	21.87	22.71	23.53	24.36
7	22.24	23.12	24.01	24.91	25.80
8	23.43	24.37	25.32	26.30	27.25
9	24.64	25.71	26.77	27.83	28.86
10	25.96	27.16	28.37	29.62	30.84

APPENDIX E

**WAGE RATE PROGRESSION
FEBRUARY 1, 2006**

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 18 Months	Job Maximum 24 Months
1	15.97	16.73	17.48	18.22	19.01
2	17.00	17.76	18.54	19.30	20.09
3	18.03	18.83	19.62	20.43	21.23
4	19.18	20.00	20.81	21.60	22.40
5	20.43	21.21	21.99	22.76	23.56
6	21.57	22.41	23.27	24.12	24.97
7	22.79	23.70	24.61	25.54	26.44
8	24.02	24.98	25.95	26.96	27.93
9	25.26	26.35	27.44	28.52	29.59
10	26.61	27.84	29.08	30.36	31.61

APPENDIX F

**WAGE RATE PROGRESSION
FEBRUARY 1, 2007**

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 18 Months	Job Maximum 24 Months
1	16.41	17.19	17.96	18.72	19.53
2	17.47	18.25	19.05	19.83	20.65
3	18.52	19.34	20.16	21.00	21.81
4	19.71	20.55	21.38	22.19	23.02
5	20.99	21.80	22.60	23.39	24.20
6	22.16	23.03	23.91	24.78	25.66
7	23.42	24.35	25.28	26.24	27.17
8	24.68	25.67	26.67	27.70	28.70
9	25.95	27.08	28.19	29.31	30.40
10	27.34	28.61	29.88	31.19	32.48

**APPENDIX G
BAY STATE GAS COMPANY (BROCKTON DIVISION)
PROGRESSION-RELATED JOB SERIES**

<i>Classification/ Progression</i>	<i>3/1/02</i>	<i>2/1/03</i>	<i>2/1/04</i>	<i>2/1/05</i>	<i>2/1/06</i>	<i>2/1/07</i>
<u><i>Plant Mechanic</i></u>						
<u><i>Drafting Technician</i></u>						
Minimum (Grade 4) C	17.38	17.82	18.26	18.72	19.19	19.72
6 Months	18.70	19.16	19.64	20.13	20.64	21.20
12 Months (Grade 6) B	20.03	20.53	21.04	21.57	22.11	22.72
18 Months	21.35	21.88	22.43	22.99	23.57	24.22
24 Months	22.67	23.24	23.82	24.42	25.03	25.71
30 Months (Grade 8)	23.96	24.56	25.18	25.81	26.45	27.18
36 Months (Maximum Grade 8) A	25.31	25.94	26.59	27.25	27.93	28.70
<u><i>Distribution Operator</i></u>						
Minimum (Grade 4) C	17.38	17.82	18.26	18.72	19.19	19.72
6 Months	19.37	19.86	20.35	20.86	21.38	21.97
12 Month (Grade 6) B	21.34	21.87	22.42	22.98	23.56	24.20
18 Months	23.34	23.92	24.52	25.13	25.76	26.47
24 Months (Grade 8) A	25.31	25.94	26.59	27.25	27.93	28.70
<u><i>Storekeeper</i></u>						
<u><i>Utility Worker</i></u>						
Minimum (Grade 3) C	16.33	16.74	17.15	17.58	18.02	18.52
6 Months	18.22	18.68	19.15	19.63	20.12	20.67
12 Months (Grade 5) B	20.14	20.64	21.16	21.69	22.23	22.84
18 Months	22.05	22.60	23.16	23.74	24.34	25.01
24 Months (Grade 7) A	23.95	24.55	25.17	25.80	26.44	27.17
<u><i>Meter Reader/Collector</i></u>						
Minimum (Grade 3) B	16.33	16.74	17.15	17.58	18.02	18.52
6 Months	17.90	18.34	18.80	19.27	19.75	20.30
12 Months	19.49	19.97	20.47	20.98	21.51	22.10
18 Months	21.05	21.58	22.12	22.67	23.24	23.88
24 Months (Grade 6) A	22.62	23.19	23.77	24.36	24.97	25.66
<u><i>Service Technician</i></u>						
Minimum (Grade 5) C	18.51	18.97	19.45	19.93	20.43	21.00
6 Months	20.16	20.67	21.18	21.71	22.25	22.87
12 Months	21.82	22.37	22.93	23.50	24.09	24.75
18 Months (Grade 7) B	23.49	24.08	24.68	25.30	25.93	26.65
24 Months	25.14	25.77	26.42	27.08	27.75	28.52
30 Months (Grade 9) A	26.80	27.47	28.16	28.86	29.59	30.40

APPENDIX H

OPERATING CLASSIFICATIONS - RELATED JOB SERIES RELATIONSHIPS BY GRADE & FUNCTIONS

GRADE	GAS SUPPLY SERVICES	SYSTEM MAINTENANCE & CONSTRUCT DISTRIBUTION		TRANSPORT
1	General Helper/ Janitor	Laborer		
2				
3	Custodian			Garage Attendant
4	Plant Mechanic C	Distribution Operator C	Drafting Tech C	
5				
6	Plant Mechanic B	Distribution Operator B	Drafting Technician B	
7		Distribution Mechanic A Locate Technician		
8	Plant Mechanic A	Distribution Leader Distribution Operator A	Drafting Tech A/ Locator	
9		Welder Leader/Fitter Distribution Operator Leader Fitter	Drafting Tech Special Distribution Equipment Operator	Automotive Mechanic
10	Compressor Mechanic Lead Plant Mechanic	Tie-In Crew Leader Welder/Fitter	Inspector Welder/Operator Leader /Fitter/ Operator	Lead Automotive Mechanic

GRADE	CUSTOMER SERVICE/ METER	STORES/ METER SHOP	UTILITY	METER READING COLLECTING
1	General Helper			General Helper, AMD Installer
2				
3		Storekeeper C	Utility Worker C	Meter Reader
4				
5	Service Tech C Apprentice Plumber	Storekeeper B	Utility Worker B	Meter Reader Special
6	Meter Changer/ Metscan Installer			Meter Reader/ Collector Collector AMR Meter Reader Technician
7	Service Tech B Meter Technician	Storekeeper A	Utility Worker A	
8	Meter Changer/ Metscan Installer Leader	Lead Storekeeper		
9	Service Technician A Installer/Fitter/ Service Tech A Journeyman Plumber Installer/Electrician	Instrument Technician		
10	Lead Service Tech Lead Fitter			

APPENDIX I

BAY STATE GAS COMPANY - (Brockton Division)

CLASSIFICATIONS AND WAGE GRADES

GRADE ONE

General Helper
Janitor
Laborer
General Helper, AMD Installer

GRADE TWO

GRADE THREE

Custodian
Garage Attendant
Meter Reader
Storekeeper C
Utility Worker C

GRADE FOUR

Distribution Operator C
Drafting Technician C
Plant Mechanic C

GRADE FIVE

Apprentice Plumber
Storekeeper B
Service Technician C
Meter Reader Special
Utility Worker B

GRADE SIX

Meter Reader/Collector
Collector
Drafting Technician B
Distribution Operator B
Meter Changer/Metscan Installer
Plant Mechanic B
AMR Meter Reader Technician

GRADE SEVEN

Locate Technician
Service Technician B
Storekeeper A
Utility Worker A
Distribution Mechanic A
Meter Technician

GRADE EIGHT

Drafting Technician A/Locator
Meter Changer/Metscan Installer Leader
Plant Mechanic A
Distribution Operator A
Lead Storekeeper

GRADE NINE

Automotive Mechanic A
Distribution Equipment Operator
Distribution Operator Leader
Drafting Technician Special
Fitter
Installer/Fitter/Service Technician A
Journeyman Plumber
Leader/Fitter (Distribution)
Service Technician A
Welder
Installer/Electrician
Instrument Technician

GRADE TEN

Compressor Mechanic
Inspector
Lead Automotive Mechanic
Lead Fitter (Service/Meter)
Leader Fitter Operator
Lead Plant Mechanic
Lead Service Technician
Tie-In Crew Leader
Welder/Fitter
Welder/Operator

** For present incumbents only

APPENDIX J

ATTENDANCE IMPROVEMENT PROGRAM

Attendance

The efficient operation of the Company requires that employees consistently maintain satisfactory attendance and punctuality.

1. The most important single rule employees should remember is that they must notify their supervisor as soon as they know they will be late, absent or have to leave work early. Notice does not excuse the absence. It does, however, permit the supervisor to schedule work around the absence and will be considered a less serious infraction than absence without notice.

2. Attendance records are evaluated on three (3) criteria. They are days absent from work, leaving work early and lateness.

All days taken out of work, including excused and unexcused absences, are used in determining total days out of work. However, excluded from this total are days on approved leave of absence, jury duty, union business, bereavement, vacation and holidays.

Leaving work early occurs whenever an employee leaves work at any time before the end of his or her shift.

Lateness is whenever an employee reports for work at any time after the employee's scheduled starting time, be it regular or overtime hours. There is no grace period for lateness.

In determining "excessive" absenteeism, all instances of the three items listed above (days absent from work, leaving work early and lateness) are added together. If the total number exceeds ten percent (10%) of the total work days in the past ninety (90) day period looking back from the last instance (the measurement period), or the casual days out of work standing alone exceed five percent (5%) of the total work days in the ninety (90) day period looking back from the last instance, such is considered excessive absenteeism under these guidelines.

Example: An employee is absent from work today. This is the employee's 3rd casual day absent from work this month and the employee missed 2 days from work last month. Looking backward one would determine how many work days there have been in the last 90-day period. Usually there are about 60 workdays in that period of time. Five percent (5%) of 60 is 3; consequently, the employee has exceeded the criteria for casual days absent from work

Under this program, when an employee's record indicates excessive absenteeism in accordance with the guidelines above, the goal of the Company is to restore that employee's attendance to a satisfactory level. The company will implement a plan of progressive discipline, as outlined below, to ensure the successful attainment of this goal.

Consultation

The Company recognizes that typically, excessive absenteeism is a symptom of a personal problem the employee is experiencing, which is affecting that employee's attendance. The supervisor will consult with the employee and help will be offered. The Employee Assistance Program (EAP) is available free of charge to assist employees with personal, marital, financial, substance abuse or other problems that may be affecting the employee's attendance at work.

Documented Verbal Warning

If an employee's attendance record continues to be unsatisfactory in accordance with the standards described in paragraph 2 above, after a three (3) month period of time following the consultation, the employee will be given a documented verbal warning. The employee will be advised that further disciplinary action up to and including termination of employment will follow unless the employee's attendance record shows an immediate, substantial and sustained improvement. The employee will be made aware, once again, of the Employee Assistance Program and urged to take advantage of it.

Written Warning

If, after the documented verbal warning, an employee's attendance record continues to be unsatisfactory as determined from the standards described in paragraph 2 above, he or she will be given a written warning. The employee will be warned that further disciplinary action up to and including termination of employment will follow unless the employee's attendance record shows an immediate, substantial and sustained improvement. The employee will once again be made aware of the Employee Assistance Program and urged to take advantage of it.

Suspension – One (1) Day

If, after the written warning, an employee's attendance record continues to be unsatisfactory as determined from the standards described in paragraph 2 above, he or she will be given a one (1) day unpaid suspension. The employee will be warned that further disciplinary action up to and including termination of employment will follow unless the employee's attendance record shows an immediate, substantial and sustained improvement. The employee will once again be made aware of the Employee Assistance Program and urged to take advantage of it.

Suspension - Three (3) Day

If after the one (1) day suspension, the employee's attendance record continues to be unsatisfactory as determined from the standards described in paragraph 2 above, he or she will be given a three (3) day unpaid suspension. The employee will be warned that termination of employment will follow in the absence of immediate, substantial and sustained improvement. The employee will once again be made aware of the Employee Assistance Program and urged to take advantage of it.

Termination of Employment

If after the three (3) day unpaid disciplinary suspension, an employee's attendance record continues to be unsatisfactory as determined from the standards described in paragraph 2 above,

but based on a thirty (30) day measurement period, (the termination measurement period) such employee will be terminated.

ISSUANCE AND EXPIRATION OF ATTENDANCE WARNING AND SUSPENSION NOTICES

Verbal warnings, written warnings and suspensions issued in accordance with the Company's attendance improvement program will become inactive one (1) year from the date of the violation provided there is no intervening discipline during the elimination period. Any intervening discipline during the elimination period keeps all prior discipline active until expiration of the last warning or suspension notice.

NOTE: Inactive as used here means that warning and suspension notices that have expired will not be used in the future for progressive disciplinary reasons.

Job Abandonment

Any employee who fails to report to work and fails to provide notice of such absence for a period of three (3) consecutive work days shall be considered to have voluntarily abandoned his or her position. In addition, if an employee fails to return to work after the expiration of a leave-of-absence, that employee will be considered to have voluntarily abandoned his or her position.

BAY STATE GAS COMPANY MEDICAL AND PERSONAL LEAVE OF ABSENCE POLICY

1 PURPOSE:

The purpose of this policy is to specify medical and personal leave-of-absence provisions that employees may be entitled to based on their length of continuous service with the Company. Medical leaves are available in accordance with this policy for the employee's own serious health condition which renders the employee unable to perform the essential functions of his or her job.

2 SCOPE:

This policy extends to Utility Workers Union of America, Local 273, Operating Unit

3 POLICY & PRACTICE:

Employees who have completed ninety (90) days of employment but who have less than two (2) years of service may be granted a medical leave-of-absence with additional extensions, if necessary, which will be limited to one (1) month of medical leave time for each month of service but not to exceed six (6) months, whichever is the lesser.

Employees with two (2) or more years of service but less than five (5) years of service, may be granted a medical leave with additional extensions, if necessary, of up to nine (9) total months.

Employees with five (5) or more years of service may be granted a medical leave with additional extensions, if necessary, of up to eighteen (18) total months.

Employees who are absent from work because of personal or work related injury or illness for more than five (5) consecutive work days must apply for a medical leave-of-absence for all days out of work after the fifth consecutive work day of absence.

Employees who have used medical leave time in accordance with this policy, will restore such time used by receiving one (1) month of restoration credit for each month of work following the end of that employee's medical leave-of-absence, up to the maximum credit allowed based on the employees service with the company as described above.

Additionally, medical leaves which fall under the jurisdiction of this policy may also qualify under the Federal Family and Medical Leave Act. When such is the case, time used under this policy will run concurrently with any FMLA leave time, which is available. A separate policy exists for leaves that may qualify under FMLA.

During medical leaves under the Bay State Gas medical leave policy; employees are responsible for contributions to all benefit plans as if actively at work. If an employee fails to return to work for reasons other than for a substantiated continued health condition or circumstances beyond their control, the employee may be required to repay Bay State Gas Company for all health premiums paid on the employees behalf during the leave.

Employees who qualify for medical leave under this policy, upon their return to work will be restored to the same or an equivalent position after the leave, except in certain cases where the person has been designated as a "key employee" or where the employment would not have continued had the employee not been on leave. Employees returning from leave may be required to supply a "fitness for duty" release from their attending physician if the leave was for their own health condition.

Employees on medical leave of absence are considered unable to perform essential job functions, and as such are not allowed to perform work outside of the Bay State Gas Company workplace during an approved leave.

The Company may require employees requesting medical leave or returning to work from medical leave to be examined by a physician designated by the Company. The Company will pay for any such examinations.

4 PROCEDURE:

Employees applying for a medical leave-of-absence must be under the direct care of a physician and must submit medical certification directly to the Bay State Gas Company Human Resources Department at their location. Employees may be required to undergo a periodic medical examination by a physician designated by Bay State Gas Company in order to ascertain the employee's condition.

For medical leaves, the Company will require medical certification for an employees own serious health condition prior to the start of the leave unless the condition requiring medical leave is unforeseeable in which case such medical certification must be provided within fifteen (15) days of the request for leave, or as soon as practicable. Upon proper submission of medical documentation in support of a medical leave request, employees will be placed on medical leave in accordance with the attending physician's instructions. Employees will be advised in writing

(see appendix A) of their status including the beginning and ending dates of their medical leave and the procedures for returning to work or extending their medical leave

Medical leaves of absence that qualify under this policy may be covered by certain insurance programs such as short-term-disability (STD), long-term-disability (LTD), workers' compensation or disability pension. When it is not covered by one of these insurance programs, leaves will be unpaid. However, unused vacation time must be used prior to going on leave without pay.

PERSONAL LEAVE-OF-ABSENCE

A personal leave-of-absence without pay for a period normally not to exceed sixty (60) days may be granted by the Company for urgent personal reasons to employees with at least six (6) months of continuous employment. Requests for personal leave-of-absence must be made in writing to the employee's supervisor and the unit's senior human resources officer. Each request will be decided on its own merit at the sole discretion of the Company.

LENGTH OF SERVICE

Length of continuous service for the purpose of this policy shall be computed from the original date of hire.

The following will break length of continuous service:

- Absence from work for more than three (3) consecutive days without notice to the Company;
- Voluntary termination or resignation by the employee;
- Discharge for cause;
- Failure to return to work upon the expiration of an approved leave-of-absence or the extension of an approved leave-of-absence.

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AGREEMENT

By And Between

BAY STATE GAS COMPANY

NORTHAMPTON DIVISION

And the

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS

LOCAL UNION NO. 486

June 19, 2004 – June 18, 2010

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I. INTRODUCTION

1. AGREEMENT

Agreement made and entered into this twenty sixth day of May 2004, by and between BAY STATE GAS COMPANY – Massachusetts Corporation, hereinafter referred to as the "Company;" LOCAL, NO. 486 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, for the EMPLOYEES OF THE COMPANY located at Northampton, who have designated the International Brotherhood of Electrical Workers, Local Union No. 486, to act for them as their collective bargaining agency hereinafter referred to as the "Brotherhood."

2. PURPOSE OF AGREEMENT

Whereas, both the Company and the Brotherhood desire to promote harmony and efficiency in the working forces so that employees and the Company may obtain mutual economic advantages consistent with the duty of the Company, as a public utility, at all times to provide an adequate and uninterrupted supply of gas service in the territory and communities which it serves.

Now therefore, in consideration of the mutual covenants and agreements hereinafter set forth, it is agreed as follows:

II. RECOGNITION

1. BROTHERHOOD RECOGNITION AND BARGAINING UNIT

The Company recognizes the Local Union No. 486 of the International Brotherhood of Electrical Workers to be the exclusive representative of all the employees of the Company located at Northampton described for the purposes of collective bargaining.

Whereas, the International Brotherhood of Electrical Workers represents a majority of the employees in the Departments of the Company located at Northampton set forth in Appendix H and has been designated by said majority to be the exclusive representative of all the employees in such departments for the purposes of collective bargaining with respect to rates of pay, wages, hours of work and other conditions of employment.

The provisions of this Agreement shall not apply to Company executives, officials, supervisors or foremen, nor to the personal office forces of the Company executives, officials or supervisors, or other office employees who perform duties of a highly confidential nature.

III. RESPONSIBILITY

1. RESPONSIBILITY OF MANAGEMENT

The Brotherhood agrees, for itself and its members, not to hinder or interfere with the management of the Company in its several department, including the assignments of work, the direction of working forces, the right to hire, suspend or discharge for proper cause, to transfer employees to work for which they are better suited and to furlough employees because of lack of work, but in the exercise of these responsibilities in management the Company agrees that it will

not discriminate against any member of the Brotherhood. J This article shall in no way abrogate any other clause in this Agreement.

The Company retains the right to employ, transfer, promote or discharge employees, regardless of membership or non-membership in the Brotherhood.

2. RESPONSIBILITY OF THE BROTHERHOOD

In consideration of the commitments assumed by the Company in this Agreement the Brotherhood agrees that its officers and members will cooperate directly and indirectly with the efforts of the employer to maintain high efficiency, productivity and competence in the work force and to train employees to improve their skills and abilities.

The Brotherhood agrees that it will encourage its members to suggest improvements in practices and procedures and to welcome changes introduced to: improve service and performance; reduce costs, waste, damage and accidents; increase individual productivity. The Brotherhood agrees to support the efforts of the management to provide economical and quality service to consumers and to encourage work assignments which fully utility the skills and time of individual members.

3. RESPONSIBILITY OF EMPLOYEES

- a) Employees shall individually and collectively work so as to maximize operating efficiency and individual and group productivity. They shall make every effort to protect the property of the Company in their relationships with consumers and the public.
- b) Employees shall not engage in work for pay on their own or for another employer when there may be a conflict of interest between the services provided by the Company and the activities of the employee.

4. NO STRIKE - NO LOCKOUT

While this Agreement is in force there shall be no lockout of the employees by the Company and neither the Brotherhood nor its members will cause or participate, directly or indirectly, in any strike or stoppage of work.

5. CORRECTIVE PROCEDURE

In further consideration of the mutual commitments contained herein, the parties hereto expressly agree that neither party shall bring or cause to be brought, any court or other legal or administrative action against the other until the dispute, claim, grievance or complaint shall have been brought to the attention of the party against whom it shall be made and the said party, after actual notice of the same, shall within a reasonable time, fail to take steps to correct the cause of circumstances giving rise to such dispute, claim, grievance or complaint.

6. COMPLIANCE WITH BYLAWS AND REGULATIONS

In the event that any provision of this Agreement shall at any time be declared invalid by any court of competent jurisdiction, or by any duly constituted governmental agency

of the United States or the Commonwealth of Massachusetts, such decision shall not invalidate the entire Agreement, it being the express intention of the parties hereto that all other provisions not so declared invalid shall remain in full force and effect.

7. NON-DISCRIMINATION

- a) Parties to this Agreement will agree that practices and policies will conform to State and/or Federal legislation concerning non-discrimination toward all employees.
- b) Gender – All references as to the masculine gender in this Agreement shall be also construed to refer to the feminine gender where applicable.

IV. BROTHERHOOD MEMBERSHIP

1. UNION SHOP

It is agreed that all employees who are members of the Brotherhood as of the effective or execution date of this Agreement and all employees who thereafter have become or may hereafter become members of the Brotherhood, shall remain members of the Brotherhood in good standing for the duration of this Agreement as a condition of continued employment by the Company; and further that all new employees covered by this Agreement hired after the date of this Agreement shall, after thirty (30) days of employment, become members of the Brotherhood and remain members in good standing for the duration of this Agreement as a condition of continued employment. Good standing shall mean only the payment of the initiation fee and periodic dues.

2. REGULAR EMPLOYEES

The term "regular employee" means those employees holding positions authorized to be filled by management who are scheduled to work at least 1,000 hours in a calendar year.

3. TEMPORARY EMPLOYEES

The term "temporary employee" means those hired to fill temporary jobs such as seasonal construction or temporary maintenance work. Any such employee who shall have worked for the company six (6) consecutive months – or in the Distribution Department nine (9) consecutive months – may hereby become a regular employee with seniority as of the date of becoming a regular employee, if regular positions are available. Temporary employees are not covered by the provisions of this contract. The company, within its discretion, may sever the employment of temporary employees.

It is further agreed that full-time regular employees in the Distribution Department will not be laid-off as long as temporary employees are used in these classifications.

In the event temporary employees in the Distribution Department work beyond six (6) months, employees in the Distribution Department will be offered a six (6) days week for each week they work or four (4) ten and (10) hour days. Temporaries in the Distribution Department should not exceed five (5) in number. If this does occur, Distribution Department employees will receive eight (8) hours overtime in that week.

4. PROBATIONARY EMPLOYEES

The term "probationary employee" means those hired on a six (6) months' trial to fill regular authorized positions which are open or expected to be open. It is understood that if such probationary employees are found satisfactory and if the positions are still open they will become regular employees.

The Company may request to extend the six (6) month period for probationary employees for up to an additional six (6) months provided written notice is given the Brotherhood ten (10) days before the extension is made. The Brotherhood shall have the right within five (5) working days after such notice to request a meeting to discuss the extension and if the Brotherhood is not satisfied with the reasons for the extension it may register its objection and the extension will not be granted.

Probationary employees are covered by the provisions of this Agreement and during the probationary period shall be eligible for all benefits except those disability benefits defined in Article XII, Section 3 and Section 4 9 of this Agreement, but the retention of a probationary employee is at the discretion of the Company and termination of employment during the probationary period or extension thereof shall not be subject to review through the grievance and arbitration procedure.

5. CHECKOFF

The Company agrees to deduct monthly from earned wages and remit to the Brotherhood the dues and assessments of those employees who are members of the Brotherhood and not exempt from the provisions of this Agreement in an amount individually authorized.

The individual written authorization by the employee shall be delivered to the Company on cards similar to the card attached, marked Appendix H and make a part hereof.

The Brotherhood shall indemnify and save the Company harmless against any claims, demands, suits or other forms of liability that may arise out of or by any reason of action taken or not taken by the Company for the purpose of complying with the above provisions of this Section of the Agreement or in reliance on any authorization furnished to the Company therewith.

V. HOURS OF WORK

1. WORKDAY, WORKWEEK

The regularly scheduled working day will consist of not more than eight (8) hours and the regularly scheduled working week will consist of not more than forty (40) hours.

2. WORK SCHEDULE

A workday schedule will be posted each Friday and so arranged that the day or days off of each employee will alternated from week to week so that each man, insofar as practicable can receive consecutive days off. Employees who have lost time due to weather or other conditions shall be given the opportunity, whenever possible, to make up such lost time.

3. WORK SCHEDULE CHANGES – LUNCH PERIOD

A regular place and a stated hour for reporting for work will be given each employee. Due notice of not less than twenty-four (24) hours shall be given by the foreman of any change in place or starting time, except in cases of emergency. The hours of work shall be continuous, except those operations where time is usually taken off for lunch. Such lunch period to be not less than thirty (30) minutes, nor more than one (1) hour. The time for beginning lunch hour will be within five (5) hours of starting time, preferably from 12:00 to 1:00 p.m. and any employee required to work during his regular lunch hour will receive time and one-half for work performed during such lunch hour.

4. REST TIME

The Company's normal practice is to arrange work schedules so that each workday is separated by at least eight (8) hours. When this is not possible, employees will have the option on the second day of:

1. Working the normal schedule or
2. Working an eight (8) hour shift beginning either (8) hours after the conclusion of day one or
3. Beginning work eight (8) hours after the conclusion of day one and concluding at the employee's normal shift end.

If the third option is selected, the employee will be paid for hours worked.

During the period November 1 through March 15, only option #1 and #2 above apply.

5. WASH-UP

Where practicable, the Company will allow up to ten (10) minutes wash-up time at the end of the work day.

6. ATTENDANCE-NOTICE OF ABSENCE

Any employee who expects to be absent from work must notify his department head as soon as possible, but in no case less than one and one-half hours (three hours in the case of a second or third shift employee) where practicable, before his regular time for starting work, stating cause of absence and when he expects to be able to return to work.

7. ATTENDANCE IMPROVEMENT

Employees shall comply with all reasonable regulations introduced to govern reporting of absence and control of any abuse.

The Brotherhood and the Company agree to review periodically the attendance and disability benefit claims made by employees for the purpose of correcting any problems that may occur.

The procedure for improving attendance is included as a part of this Agreement.

(ATTENDANCE IMPROVEMENT PROGRAM – APPENDIX K)

8. BROTHERHOOD LEAVE OF ABSENCE

Without loss of seniority rights, employees who are members of the Brotherhood when delegated or elected to transact business or matters pertaining to the Brotherhood shall be granted such leave of absence as may be approved by an Officer of the Company.

Upon request of the President of the International Brotherhood or his designated representative to the appropriate Officer of the Company or his designated representative, an employee hired by the International Brotherhood on a temporary or regular basis shall be granted a leave of absence without loss of seniority but without pay, for a period of twenty-four months.

9. LEAVE FOR MATERNITY

An employee who has completed the six (6) months probationary period and who is pregnant will be eligible for a maternity leave, without pay and without loss of seniority, not to exceed six (6) months, including the period of paid disability, vacation and unpaid leave (unpaid leave cannot exceed three (3) months) and upon return to work shall be restored to the previous position or a similar position with the same status as of the date of leave unless operating conditions occur during the absence which affect the employees seniority status. Health and life insurance shall be continuous for up to six (6) months for each maternity leave granted. However, you must continue to contribute toward the cost of any benefit plans that require employee contributions during the leave of absence.

Holidays occurring within any disability period are paid under the disability provision of the Labor Agreement.

Holidays occurring within any unpaid leave of absence shall not be paid.

If an employee has medical complications, the paid leave period provided under Article XII (Personal Security) shall apply in accordance with applicable laws.

VI. WAGES

1. WAGE LEVELS

Wage levels for all jobs are defined in the wage grade schedules included as a part of this Agreement.

**(OPERATING CLASSIFICATIONS RELATIONSHIPS BY GRADE AND FUNCTION
– RELATED JOB SERIES – APPENDIX H & I)**

- a) All present job rates are increased, effective March 7, 1993 by three and three quarters percent (3.75%) as indicated on the Wage Schedule in Appendix A of this Agreement.

- b) All present job rates are increased, effective March 6, 1994 by four percent (4.0%) as indicated on the Wage Schedule in Appendix B of this Agreement.
- c) All present job rates are increased, effective March 5, 1995 by four percent (4.0%) as indicated on the Wage Schedule in Appendix C of this Agreement.
- d) All present job rates are increased, effective March 3, 1996 by four percent (4.0%) as indicated on the Wage Schedule in Appendix D of this Agreement.
- e) All present job rates are increased, effective March 2, 1997 by four percent (4.0%) as indicated on the Wage Schedule in Appendix E of this Agreement.
- f) All present job rates are increased, effective March 1, 1998 by four percent (4.0%) as indicated on the Wage Schedule in Appendix F of this Agreement.

2. WAGE GRADES

Jobs of the same relative value are grouped together into a Wage Grade. The grade determines the rate of pay for all jobs included in the grade.

(OPERATING CLASSIFICATIONS AND WAGE GRADES – APPENDIX H)

3. WAGE RANGES

Wage ranges are established for each wage grade. A minimum and maximum rate applies to each job.

4. WAGE DETERMINATION

Wage differentials between jobs are based on differences in responsibilities, skills and duties.

In the event a new job is established, or a substantial change is made in the duties of an existing job, the rate for the new or changed job shall be established by the Company, based on its equitable relationship to other jobs.

During the thirty (30) day period immediately proceeding the expected date of the change, the Company shall discuss the appropriate wage grade and rate within the Union. If the Union disagrees, they shall have the right for a period of six (6) months thereafter to appeal the Company's decision through the grievance and arbitration procedure, and the final rate determination shall be paid as of the date the job was filled or changed.

5. WAGE ADMINISTRATION

The company establishes job classifications and the combination of duties that make up a job classification and also determines whether or not a classification shall be filled and how many individuals are required in a classification at any time.

Individuals within a classification are required to perform all duties included in the classification.

To be eligible for promotion, employees bidding for posted openings must meet the minimum qualifications established for the job.

To be eligible for promotion within a related series of classifications, employees shall begin in the lowest classification in the series and pass a job related examination and complete required service in each successive level.

6. WAGE PROGRESSION

Progression in the job maximum shall be in intervals of no longer than a maximum of six (6) month service steps from the date of entry into the job.

7. TRANSFER BETWEEN JOBS NOT IN A RELATED JOB SERIES

a) To a Higher Wage Grade

An employee who bids to a job in a higher grade shall be paid the minimum for the job or the step rate next above his present rate, whichever is higher, and continue the established progression for the new grade.

b) The Same Wage Grade

An employee who bids to a job in the same grade shall be paid his present rate and continue the established progression, if any, to the maximum job rate.

c) To Lower Wage Grade

An employee who bids to a job in a lower grade shall receive the step rate nearest his present rate but not to exceed the maximum job rate for the new job and continue the established progression, if any, for the new grade.

8. TRANSFER TO AND WITHIN A RELATED JOB SERIES

An employee bidding and entering a related job series shall begin at the step rate next above his present rate but not to exceed the maximum job rate for the entry job and shall remain at this rate until the required time has been served to earn the step rate in the classification and shall then progress as qualified from grade to grade as scheduled, provided periodic examination verifies continued eligibility.

9. TRANSFER TO AND WITHIN A RELATED JOB SERIES

An employee not in the progression within a related job series temporarily assigned to a job in a higher grade shall receive the minimum rate for the grade or the rate next above his regular rate in the higher grade for each day while doing any work in a higher grade. However, this shall not apply where employees are learning the duties of a new job. If, however, employee has held the position before and was at the rate maximum, or holds a license required to perform the job, they would receive the rate maximum. If the employee has been transferred to the job in the past, he would receive credit for the time spent on said transfer and paid progression rate that would apply.

Time worked in higher classifications during temporary assignments will determine the wage paid in progression while in the temporary position in accordance with the wage rate progression schedule.

If the hours worked in the higher classification exceed 1040 in the calendar year, vacations and holidays for that year will be paid at the highest rate the employee earned in the wage progression of the higher classification.

An employee in a progression within a related job series is expected to perform any assignment with the series that is covered by the training received prior to such assignment at this regular rate of pay.

An employee temporarily assigned to a lower wage grade shall continue to receive his regular rate.

When temporary work requires utilizing classifications that are a higher grade than a regular employee holds, the qualified regular employee will have the opportunity to do the work at a temporary upgrade before a temporary employee is hired.

VII. ALLOWANCES

1. OVERTIME

Any hours worked in excess of eight (8) hours in any day or forty (40) hours in any week shall be paid for at one and one-half times the regular rate of pay. Any time worked outside of the regularly scheduled working week shall be paid for at one and one-half times the regular rate, except that whenever the opportunity is afforded to an employee to take personal time off during the week for personal reasons not provided for in the contract, he shall, if work is available, work an equivalent number of hours at the straight time rate before any overtime or other premium pay shall be paid him. In no case will work before or after the regular working hours during the regularly scheduled working week, or before or after the corresponding hours on the sixth and seventh day of the week, be classed as make-up time unless requested by the employee and agreed to by the Company. An employee who works seven (7) days within a work week will be paid double time for all work performed on the seventh day. If Sunday is an unscheduled work day and an employee works seven (8) days during that work week, then Sunday will be considered the seventh day for this purpose.

2. OVERTIME DISTRIBUTION

Emergency and overtime work shall be distributed equally among the eligible employees insofar as is practicable. Overtime work is to be given to the regular men on the job, if possible.

3. REPORTING FOR WORK

Employees required to report for work at regular starting times are to be allowed a minimum of four (4) hours pay when, in the Company's opinion, conditions prevent work from being performed. If held on duty over four (4) hours, employees will be paid for actual time held.

4. CALL-OUT AND EARLY WORK START

a) Call-Out

Employees who are recalled to work after completing a scheduled work date (period or shift) and after leaving the premises of the Company, shall be paid at the rate of double time for such time worked but not less than six (96) hours pay at their regular straight time rate of pay for such callback.

b) Travel Time

Fifteen (15) minutes travel time shall be allowed each way on such callback.

c) Advance Notice

The call-out allowance shall not apply when the employee has been given at least twelve (12) hours advance notice of such call-out. When this occurs, the rate of time and one-half for hours worked outside of the regular work schedule shall apply.

d) Early Work Start

An employee called within two (2) hours of his regular scheduled reporting time shall be paid at the rate of time and one-half from the time the call is received until his starting time when he continues to work into his scheduled work day.

5. SHIFT AND SHIFT ALLOWANCES

Shifts are defined as follows:

If a majority of the hours of a shift fall within 8:00 a.m. to 4:00 p.m. the shift will be considered the first shift. If the majority of the hours of a shift fall within 4:00 p.m. and 12:00 p.m. the shift will be considered the second shift. If a majority of the hours of a shift fall within 12:00 p.m. and 8:00 a.m. the shift will be considered the third shift.

All of the shifts described above will be considered to be within the twenty-four (24) hour period normally included in the calendar day.

Any employee regularly scheduled to work on the second shift and third shift shall be paid in addition to his regular hourly rate, an allowance for all hours worked as follows:

ALLOWANCE EFFECTIVE

SCHEDULE	3/7/93	3/6/94	3/5/95	3/3/96	3/2/97	3/1/98
Second Shift	\$1.20	\$1.25	\$1.30	\$1.40	\$1.45	\$1.50
Third Shift	\$1.35	\$1.40	\$1.45	\$1.55	\$1.60	\$1.65

Such shift allowances shall apply to wages paid for holidays and vacations. They shall not apply to wages paid for other excused absences.

When the above shift allowances are earned, they shall be applicable to any continuous hours worked before or after such shift for which overtime is provided.

6. SATURDAY & SUNDAY ALLOWANCES

An employee whose work schedule includes Saturday or Sunday or both as regular work days within his five (5) day work week shall be paid in addition to this regular hourly rate, an allowance for all hours worked as follows:

ALLOWANCE EFFECTIVE

SCHEDULE	3/7/93	3/6/94	3/5/95	3/3/96	3/2/97	3/1/98
Saturday	\$4.15	\$4.15	\$4.15	\$4.25	\$4.35	\$4.45
Sunday	\$6.45	\$6.45	\$6.45	\$6.55	\$6.65	\$6.75

It is not intended that regular work schedules include both Saturday and Sunday.

When the above shift allowances are earned, they shall be applicable to any continuous hours worked before or after any shift for which overtime is provided.

7. OFF-HOUR COVERAGE ALLOWANCE

Employees who are available for emergency calls in accordance with a written schedule posted by the Company during periods other than their regularly scheduled work day or work week shall be paid an allowance as follows:

ALLOWANCE	EFFECTIVE
\$136.00	March 7, 1993
\$136.00	March 6, 1994
\$136.00	March 5, 1995
\$141.00	March 3, 1996
\$141.00	March 2, 1997
\$146.00	March 1, 1998

An employee on off-hour coverage pay for a week including a holiday may have a day off in the following week unless emergency conditions prevent this.

Assignments pursuant to the off-hour coverage provision will be made for weekly periods. Whenever assignments have heretofore been made pursuant to such provision, such assignments will be continued for weekly periods during the term of the Agreement.

Employees assigned to classifications eligible for assignments to off-hour coverage allowance shall be paid at the rate of double time for such time worked but not less than six (6) hours pay at their regular straight time rate of pay for such call-back.

The above shall not apply in any case where employees are assigned to work continuous overtime from the end of their regular workday or assigned to work one-half hour or less immediately prior to the beginning of their regular workday. They shall be paid for this continuous time at the overtime rate for actual time worked.

If such employee is scheduled in advance for overtime work on a day of relief, he will be paid the minimum if the overtime work is canceled unless he is notified of the cancellation prior

to the close of the preceding regular workday. If no such notice is given, the employee will report for work as scheduled, unless otherwise notified.

If such overtime is scheduled on a regular workday, the minimum will apply unless the employee is notified of cancellation prior to the end of such regular workday.

When an employee is called out during unscheduled hours, he will be credited with the time reasonably required beginning at the time the call is made to travel from his home to the station or job and back to his home.

When an employee is expected to replace a supervisor on call, the employee will be given seven (7) days notice except when replacement is for sickness or vacation by days. The on-call employee will be provided a vehicle for this purpose.

7. MEAL ALLOWANCE

Employees required to work ten (10) or more continuous hours shall be furnished meals at the Company's expense, or an allowance as shown below.

For each additional three (3) hours of continuous employment beyond the initial ten (10) hours of continuous employment an additional meal will be furnished or an additional allowance will be made.

ALLOWANCE	EFFECTIVE DATE
\$7.25	March 7, 1993
\$8.00	March 6, 1994
\$8.75	March 5, 1995
\$9.50	March 3, 1996
\$10.25	March 2, 1997
\$10.75	March 1, 1998

This practice shall not apply to operators who work overtime through the courtesy of fellow operators.

9. FUNERAL LEAVE

Employees shall be granted up to three (3) consecutive work days, ending with the day of the funeral, without loss of pay in the event of the death of an employee's spouse, child, father, mother, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law and one (1) day off, the day of the funeral or religious service, without loss of pay in the event of the death of an employee's uncle, aunt, grandparents or grandchildren. In the event that any of the foregoing live in the immediate household of the employee, the one (1) day may be extended at the discretion of management.

10. JURY DUTY

If any regular employee is required to be absent from work because of jury service the Company will compensate him while on such service by making up the difference between what he would have received as pay for his regularly scheduled work week (40 hours) and that which he received because of such jury service.

During his period of jury service, an employee will be deemed to be on a Monday through Friday work schedule. Employees who are excused from jury service before noon shall return to work for the remainder of that day.

11. MILITARY LEAVE

If any regular employee is a member of a military service organization of the Armed Services of the United States and he is required to report for training, the Company will compensate him while on such leave by making up the difference between what he would have received as pay for his regularly scheduled work week (40 hours) and that which he received from the government. However, the Company is not obligated to compensate an employee beyond one two-week training period per year.

Employees desiring Temporary Military Leave must secure approval in advance from the Personnel Department. Upon return from such leave, the employee must present his government pay voucher to the Personnel Department and he will then receive the amount due him as outlined above.

12. INCLEMENT WEATHER

If, in the opinion of the Company, weather conditions are such that work cannot reasonably be performed by Street Department employees, the Company will, except where emergency work is required either permit such employees to seek shelter if available, or will return the employees to the Company for assignment to other work as may be available, so that there will be no loss in base pay (not more than 40 hours) for such employees. The decision of the Company as to continuance of work outside is subject to the grievance procedure.

Should inside work not be available upon any such occasion, the men may be sent home by the Company if there is scheduled overtime available sufficient to make up such time lost at time and one-half, so that the employee has the opportunity to work at least forty (40) hours in a week.

13. TOOLS

- a) The Company shall furnish all necessary and proper tools, and shall replace or repair worn or damaged tools.
- b) The Company will require that worn or damaged tools be turned in to stores before replacement tools are issued.

Individual employees shall be reasonably responsible for tools assigned to their use.

VIII. VACATIONS

Regular employees who have completed six (6) months of service by September 1 of the calendar year shall be entitled to one week of vacation with pay during the first year of employment.

Regular employees continuously employed by the Company, who meet the service requirements indicated below by December 31 of the calendar year, shall be entitled to vacation during the calendar year with pay as follows:

SERVICE REQUIRED	VACATION
One Year	2 Weeks
Five Years	3 Weeks
Ten Years	4 Weeks
Twenty Years	5 Weeks

In the event an employee is called for Jury Duty during part or all of his/her vacation time, he/she shall receive extra vacation days equivalent to the number of days during their vacation for which they qualified for Jury Duty.

3. SELECTION AND LIMITATIONS

Vacations shall, as far as is practicable, be granted during the normal vacation period at the time selected by the respective employee with selection up to the first two (2) weeks to be as has been in the past. If an employee requests part of his annual vacation other than during the normal vacation period, the Company will make every effort to comply provided his absence during that period will not unduly disrupt the Company's operations, but the final allotment of vacation periods shall be exclusively reserved to the Company.

An employee may elect to defer to the following year, vacation time earned in excess of two (2) weeks up to a maximum of two (2) deferred weeks so that an extended vacation may be scheduled to include all of the time deferred. The taking of deferred vacation shall be granted when there are no conflicts and no adverse effects on operations. Employees who elect to defer vacation time must advise their supervisor prior to September 1st of the year the vacation is due. Deferred vacation is to be paid at the pay rate in effect at the time vacation was earned.

Subject to operating requirements and usually following advance notification and authorization and at no added cost to the Company, an employee may elect to take within a calendar year, up to a maximum of one (1) week of eligible vacation one (1) day at a time.

4. ALLOWANCE

Vacation pay shall be based on forty (40) hours at the employee's straight time hourly rate including shift or Saturday or Sunday allowances for an employee who is and has been regularly assigned to a second or third shift or Saturday or Sunday work schedule, and in addition, shall include for each earned week a supplemental allowance as follows:

March 7, 1993 \$140.00	March 6, 1994 \$140.00	March 5, 1995 \$140.00
March 3, 1996 \$140.00	March 2, 1997 \$140.00	March 1, 1999 \$140.00

An employee entitled to more than two (2) weeks of vacation may elect, with Company approval, to receive the vacation allowance for earned vacation in excess of the two (2) weeks

instead of time off. This allowance, in lieu of time off, shall be paid either at the time the employee takes a vacation or by the 15th of December whichever is requested by the employee.

When a holiday occurs during an employee's vacation he will be granted an additional day of vacation at a time mutually convenient to the Company and the employee.

Vacation earned within the calendar year and not taken will be paid to the employee upon termination and the beginning of a layoff or extended leave of absence or to the employee's supervising spouse or dependent.

5. ACCIDENT, ILLNESS OR DISABILITY

Vacation payments to any employee who has lost time aggregating six (6) months or more in any vacation year because of accident, illness or disability shall be determined as follows:

Less than 6 months of continuous employment – No vacation

Over 6 months but less than 1 year of continuous employment – 1 ¼ days

Over 1 year but less than 2 years of continuous employment – 2 ½ days

Over 2 years but less than 5 years of continuous employment – 5 days

Five years or more of continuous employment – full vacation

IX. HOLIDAYS

1. HOLIDAYS OBSERVED

The following days shall be recognized as holidays on the day which they are observed in Massachusetts or, in the case where the holiday falls on a weekend, it will be observed on Friday if the holiday is on Saturday and Monday if the holiday falls on a Sunday:

New Year's Day
Washington's Birthday
Patriot's Day
Friday before Memorial Day
Memorial Day
Fourth of July

Labor Day
Columbus Day
Veteran's Day
Thanksgiving Day
Christmas Day
Employee's Birthday

An employee who wishes to take his birthday holiday on a day other than his birthday shall request time off two (2) weeks in advance and the request shall be acknowledged within one (1) week. Such request shall not be refused, provided that available manpower is consistent with operation requirements of the department.

In the week preceding the Memorial Day weekend, shift workers, excluding emergency crews and continuous coverage workers will be scheduled to work Monday through Friday.

Effective January 1, 1994

2. HOURS

For the purpose of this Agreement, the holiday shall commence with the shift beginning at 12:00 midnight on the day preceding the holiday and continue for twenty-four hours.

3. ELIGIBILITY

To be eligible for unworked holiday pay, the employee, unless otherwise excused in advance by the Personnel department, must have worked a full day upon his regularly scheduled working day preceding and succeeding such holiday.

Employees absent from work because of illness or injury will be considered properly excused and eligible for unworked holiday pay as specified in Section Four (4), Paragraph 1 of this article regardless of their sick pay status.

4. ALLOWANCES

All employees to whom this contract applies shall be paid for the above twelve (12) holidays at the regular rate of pay of such employees when the same shall fall within their regularly scheduled work week and no work is performed. The number of hours in the normal eight (8) hour day at straight time will be allowed and such hours shall accumulate toward weekly overtime.

When any such holiday shall fall outside the regularly scheduled work week, and no work is performed on such holidays, the employee shall be paid on normal day's pay at straight time, but such time shall not accumulate toward weekly overtime.

If a regular employee is required to work on a holiday he shall receive two (20 times his regular hourly rate of pay for all hours worked within the holiday, plus the holiday allowance specified above or a day off at this request, mutually convenient to the employee and the Company.

X. OPPORTUNITIES FOR ADVANCEMENT AND RECOGNITION

1. JOB POSTING

When a job is open within the classifications covered by this Agreement, it shall be posted in all departments and shall remain posted for five (5) consecutive work days with the exception of Saturdays, Sundays, and holidays, which shall be excluded in determining the period of posting, but shall not be held to break the continuity thereof. J All bids for job openings shall be in writing, and shall be submitted during said five (5) day posting period. Such a bid may be submitted by a Shop Steward in behalf of an employee, who is absent because of illness or injury or because he is on vacation, provided that the Shop Steward shall have been requested to do so by such employee. No such absent employee shall be eligible for such job opening unless he shall return to work within thirty (30) calendar days after he has been notified that he is the successful bidder, unless the Company and the Brotherhood shall mutually agree to waive this requirement.

In filling such job openings, seniority as defined in Section 1a of Article XI shall be the determining factor, subject to the minimum qualifications and fitness as determined by the Company, on a non-discriminatory basis. The Company agrees to fill all job openings so posted as soon as reasonably practical after the five (5) day posting period, but in any event within fourteen (14) calendar days thereafter. If there shall be no bidders or no successful bidders for such a job so posted, then the Company may fill the job from any source. The successful applicant may be returned to his former job by the Company for a valid reason upon completion of a six (6) month period on the job or the successful applicant may be returned to his former job for a valid reason at his own request after the above mentioned six (6) month period and is further restricted during the six (6) month period to bid down unless it is in progression.

XI. EMPLOYMENT SECURITY

1. SENIORITY

- a) The term "seniority" where used in this Agreement shall mean Company seniority, except as noted below. Company seniority shall be defined as the length of service of an employee with the Company, starting with the first day of his last period of continuous employment by the Company. When employees have equal Company seniority the employment application having the earliest date will have preference.
- b) The term "classification seniority" shall mean the length of time an employee has been assigned to a classification or assigned to a related job series. Classification seniority shall only apply to the selection of shifts and vacation time off.

2. TERMINATION OR INTERRUPTION OF SERVICE AS AFFECTING SENIORITY

Employees forfeit all claim to seniority previously established if they:

- a) Voluntarily leave, or are discharged for cause.
- b) Are absent from work and fail to notify the Company of reason for absence for three (3) consecutive days except under extenuating circumstances.
- c) Are on lay-off status for a period in excess of twenty-four (24) months.
- d) Are on lay-off status and fail to accept or apply for reemployment within one (1) week following notice of recall.
- e) Are on lay-off and fail to report for work within two (2) weeks following acceptance of reemployment.

Seniority shall continue to accrue under the following conditions:

- a) A leave of absence in writing granted by an Officer of the Company not to exceed six (6) months except as defined in Article V, Section 7 of this Agreement.
- b) Illness attested by a physician's certificate
- c) Service in military forces of the United States of America.
- d) Absence due to lay-off not to exceed twenty-four (24) months.

CONFIDENTIAL

3. APPLICATION OF ARTICLE

The provisions of this Article shall not apply to foremen or other supervisors, not shall these provisions apply to the selection or hiring of foremen or supervisors to be appointed by the Company hereafter. An employee promoted to a foreman, supervisor or other job outside the bargaining unit shall retain seniority for a six (6) month period and if he should revert to the bargaining unit after said six (6) months, he does so without any seniority rights relating to lay-off and bidding for promotion, but such rights shall be retained for all other purposes under this contract.

4. SENIORITY LIST

The Company will furnish the Brotherhood a seniority list annually on the anniversary date of the contract and post a copy of such list in all departments.

5. REDUCTION IN FORCES

In cases of layoff for lack of work, reduction in the work force or the elimination of a job, seniority as defined in Article XI, Section 1a, will be given first consideration. In the case of an employee so laid off, or affected by a reduction in the work force, or the elimination of a job, said employee shall have the right to replace another employee within the Company who have the right to replace another employee within the Company who has the less seniority than said employee, provided that said employee shall have minimum qualifications and fitness to fill the job as determined by the Company on a non-discriminatory basis.

Any employee so laid off, or affected by a reduction in the work force, or the elimination of a job, shall have the right to exercise his seniority to bump laterally or downward subject to the above mentioned requirement of minimum qualifications and fitness. Any such employee shall not have the right to exercise his seniority to replace an employee in the Company who occupies a higher rated job unless said employee has previously held such higher rated job and has the above-mentioned minimum qualifications and fitness to return to that job. The Company shall give at least fourteen (14) calendar days notice to the Brotherhood of any such intended layoff for lack of work, reduction in the work force or elimination of a job.

Such laid off employees shall be recalled to openings in jobs in the Company for which they have minimum qualifications and fitness as determined by the Company on a non-discriminatory basis in reverse order from that in which they were laid off. The Company shall notify such employee or employees by certified mail sent to his last known address that such work is available and if the employee shall fail to accept such reemployment or fail to apply therefore within one (1) week of the receipt of such notice then he shall lose all his seniority rights previously established and continuity of employment shall be forfeited. In the event that said notice of recall is returned to the Company or cannot be delivered for any reason, the Company shall notify the Brotherhood of the recall opportunity and the employee to be recalled shall have one (1) week from the date of such notification to the Brotherhood to accept such reemployment or apply for it. In the event that such employee does not do so he shall lose all his seniority rights previously established and his continuity of employment shall be forfeited. It shall be the duty of the employee to keep the Company advised in writing of his current address. Any employee accepting reemployment, shall report for work within fourteen (14) calendar days

of such acceptance. No employee shall be entitled to be recalled under the terms hereof more than twenty-four (24) months after the date of his lay-off.

6. SEVERANCE ALLOWANCE

The Company will pay severance allowance to eligible employees as follows:

- a) Regular employees after one year of service shall be given an opportunity to accept a severance allowance of one (1) week's base pay for each full year of continuous service at the time of layoff unless they choose to accept layoff and be eligible for recall.
- b) Severance allowance shall be in addition to any earned vacation benefits for which the separated employee is eligible.

An employee shall not be required to accept severance pay. He shall have an option, effective up to ninety (90) days following the date he receives notice of layoff from the company, to accept or not to accept severance pay. In case he elects not to accept severance pay, he shall not lose his reemployment rights, but shall retain all reemployment or other privileges which the contract between the Company and the Union, or which the practice of the Company provides.

7. LAYOFFS

The Company agrees that no employee with seven (7) years or more of continuous service will be subject to lay-off due to lack of work.

Local Officers and Stewards elected by the membership shall, for purposes of lay-off, be placed at the top of the seniority list for their designated term of office unless they resign or are removed by the Local for cause.

8. DISCHARGE

If an employee is discharged, the Company will furnish him, upon request made within three (3) days from the date of his discharge the reason for this discharge, and thereafter, upon his request for a hearing made within three (3) days after he had been furnished with a reason for his discharge as above, the Company will grant a hearing to such employee, at which hearing the employee may be present with his representatives. If, as a result of such hearing, it is found that the employee was unjustly discharged, he shall be reinstated and shall be paid for any time lost as may be determined at the hearing.

XII. PERSONAL SECURITY

1. WAGE CONTINUATION DURING DISABILITY

This provision for continuing earnings during periods of personal disability is not intended as an annual entitlement to cover absence for any personal reason, but is solely for the protection of a regular employee temporarily and legitimately disabled and usually under the care of a physician.

An employee claiming disability benefits may be required to submit to an examination by a physician designed by the Company. Should there be any disagreement between the Company's designated physician and the employee's attending physician, the Leahy Clinic, except as provided for in the second Paragraph of this Section shall make a final and binding determination of the eligibility of the employee for benefits or continuation of benefits.

Any employee whose disability is due directly or indirectly to intoxication or to drugs or narcotics, excluding medication prescribed by a doctor, or to injuries as a result of willful misconduct or horseplay, or to injuries while in the employ of another employer or while working at another job for pay, shall not be entitled to any disability pay or benefits.

If an employee of the Company covered by this Agreement is eligible to receive any benefit under Chapter 90, Section 34A of the Massachusetts General Laws (no fault automobile insurance), such employee shall not be eligible to receive any of the benefits described in this Article, provided that if the benefits said employee would have received under the plan described hereinabove exceeds the benefits for lost wages which he is eligible to receive under said Section 34A, the Company shall pay the difference.

2. OCCUPATIONAL DISABILITY

Time lost on account of occupational injuries will not be regarded as personal disability. The Company agrees to pay regular employees governed by this contract the difference between their regular pay and the amount received in case of occupational injuries for a period of thirty (30) weeks. Employees with over five (5) years' service will receive such payment for forty (40) weeks, and employees with over ten (10) years' service will receive such payment for fifty (50) weeks. Employees are required to notify the company immediately upon receiving payment from Workers' Compensation and must immediately refund the amount received from Workers' Compensation during the above period.

3. ILLNESS AND NON-OCCUPATIONAL DISABILITY

The Company will pay the full amount of the employees' regular straight time daily wage for any day or days lost due to illness or accident within his first four (4) regular days of work provided the Company is satisfied as to the legitimacy of the disability claims.

If the disability lasts for five (5) regular days of work or more, when such disability is verified by a physician's certificate, the Company will continue the employee's regular daily pay for up to a maximum period of twenty-six weeks.

If an employee is absent for more than twenty-six (26) weeks because of personal disability he shall be eligible for a disability benefit equal to his straight time weekly earnings for additional periods of disability up to a maximum of twenty-six (26) weeks within any twelve (12) month period when not eligible for long term disability (LTD) benefits.

4. LONG TERM DISABILITY

The Company shall provide Long Term Disability (LTD) protection covering all regular employees after one year of service which will pay a benefit of sixty-five percent (65%) of straight time weekly earnings, or a combined benefit of seventy percent (70%) when added to the

amount of any other income benefits available to the employee for such period beginning six (6) months after the date disability commences under conditions described in the Plan.

Long term disability benefits will not be paid beyond twelve (12) months, unless the employee has applied for and continues to apply for Social Security Disability Benefits.

Employees are required to notify the Company immediately upon being granted Social Security Disability and must immediately refund to the Company any overpayment of long term disability benefits.

5. HOSPITALIZATION – SURGICAL – MEDICAL BENEFITS

All regular employees shall have the option once each year to elect one of the following to be effective January 1st. Employees may cover unmarried dependent children under (a) or (b) below to age 19 or age 23 if a full time student. Coverage may continue to age 45 if the child is physically or mentally handicapped. Employees become eligible for coverage for the options below following thirty (30) days of employment with the Company.

- a) Healthflex Blue – Program currently administered by Blue Shield of Massachusetts which will include prescription drug coverage.
- b) Health New England – a regional HMO which will include prescription drug coverage.
- c) No coverage – An employee who is not covered under an individual, family or any other health care plan under either (a) or (b) above, will receive \$1650 for each full year that the employee has no health insurance coverage with the Company. The employee will need to show proof of coverage under another health insurance program. This payment is made in January of each year subsequent to waiving coverage and is considered taxable income to the employee.
- d) The employee offset rate for both Healthflex Blue and Health New England will be based on the following percentage of total monthly premium. These offsets are made through payroll deductions and are on a pretax basis.

1994	12%
1995	15%
1996	20%
1997	20%
1998	20%
1999	20%

The monthly rate for Healthflex Blue in 1994 will not exceed \$198.09 for single coverage and \$528.59 for family coverage. The monthly rate for Health New England in 1994 will not exceed \$178.11 for single coverage and \$463.12 for family coverage.

- e) The Company will provide employees who are covered under (a) or (b) above with about the same coverage when they retire provided they meet all the following requirements:
1. Retire under the provisions of the Company Pension Plan
 2. Receive a pension benefit under the Company Pension Plan and;
 3. They are at least forty-five (45) years of age on January 1, 1993.
- f) For employees hired prior to June 18, 1999 and employees who had not attained age forty-five (45) by January 1, 1993, the Company contribution for retiree medical expense will be limited to the following:

For the period when the retiree is under 65 -- \$1100/mo.

For the period when the retiree is 65 or more -- \$225/mo.]

- g) Employees hired after June 18, 1999 are not entitled to retiree benefits.

The company will utilize a Voluntary Employee Benefit Association Trust to fund retiree medical benefits.

A new employee assigned to a regular position who is covered by a similar plan at the time of employment shall become eligible for options (a) or (b) as a transfer and such employee will be so transferred and will pay the full working rate or premium of the plan he has elected. Following thirty days of employment, he will have the option of electing (a), (b), or (c) above.

6. DENTAL

The Company will make available the Massachusetts Dental Service Corporation Basic Dental Plan to any regular employee electing such coverage. The Company will pay only the amount is presently paying towards the cost of this coverage. Any increase in premium rates by the insurance carrier for this coverage during the life of this Agreement will be borne by the employee.

The Company shall provide at no cost to regular employees, orthodontic services for dependent children on the basis of fifty percent (50%) of covered expenses after a deductible of fifty dollars (\$50.00) with a one thousand dollar (\$1,000.00) lifetime maximum for each child under the Company Dental Plan as defined in the contract between the insurance carrier and the company.

7. LIFE INSURANCE

The Company shall make available to regular employees group life insurance coverage, subject to the terms and conditions of the master policy now in effect with the insurance carrier.

Each regular employee shall be provided life insurance by the Company in an amount equal to two (2) times his base pay.

The amount of life insurance in effect at the time an employee reaches age 65 will be reduced by 35% upon his 65th birthday.

The maximum life insurance available to an employee who retires and receives a pension under the Pension Plan described in Section 11 of this Article is five thousand dollars (\$5,000.00).

8. ACCIDENTAL DEATH AND DISMEMBERMENT

The Company will make available to regular employees accidental death and dismemberment insurance subject to the terms and conditions of the Master Policy with the insurance carrier.

The amount of accidental death and dismemberment insurance an employee is eligible for is two (2) times his base pay.

9. PENSION

Pension plans as agreed upon between the Brotherhood and the Company shall continue for the life of this Agreement and succeeding agreements, subject to such modification as may be mutually agreed upon by the parties hereto.

All covered employees who take a normal retirement during the term of this Agreement shall receive a pension benefit as stipulated below per month for each full year of credited service.

Wage Grade	7/4/93	5/15/94	5/14/95	5/19/96	5/18/97	5/17/98
1-4	29.00	29.00	29.00	29.50	30.00	31.00
5-7	30.50	31.00	31.50	32.00	32.50	33.50
8-10	34.00	34.50	35.00	35.50	36.00	37.00

Early retirement shall be at age 60. There shall be no reduction in benefit if the employee has 25 years of service. If the employee retires prior to age 60 and has 25 years of service, the reduction will begin at age 60. If an employee retires prior to age 65 and does not have 25 years of service, the reduction will begin at age 65.

Employees retiring in 1993 will have their pension recalculated in 1994 and 1995.

10. SAFETY EYEGLASSES AND SAFETY SHOES

The Company will pay thirty dollars (30.00) towards the cost of safety eyeglasses purchased through the Company for an employee's own use.

The Company will pay thirty dollars (30.00) towards the cost of approved safety shoes for an employee where the General Safety Committee recommends that they be worn on the job. To be eligible for this allowance an employee must present the Company with a receipt of purchase. An employee may purchase up to two (2) pairs of approved safety shoes in a calendar year.

An employee may purchase his eyeglasses any place, provided they are the type required and proof of purchase is provided.

11. SUBROGATED RIGHTS

Payments made under the provisions of this Article will be reimbursed to the Company to the extent that any amounts recovered on account of the accident or sickness on a claim against a third party exceed Workmen's Compensation or any payments required by law.

12. DUPLICATION

Amounts required to be paid by the Company under any law providing benefits similar to the benefits provided for in this Article shall reduce to that extent the amounts the Company shall be required to pay under this Article and appropriate adjustments shall be made in the benefits provided for in this Article to the end of eliminating duplication of benefits under this Article and benefits required by law.

13. MAINTENANCE OF EARNINGS

- a) An employee who becomes unable to perform his normal duties because of disability shall be provided an opportunity to perform available work in any classification by bumping the least senior employee in a job where he has the skill, physical fitness and qualifications to perform the job.
- b) Where an employee becomes unable to perform his normal duties because of illness or disability, the following retrogression pay schedule will be applicable:
 1. An employee with less than twenty (20) full years of continuous service with the Company at the time of retrogression shall receive the ultimate base rate of his new job classification. The rate of retrogression shall be at fifteen cents (\$.15) per hour every six (6) months until he reaches the rate of the new job which is lower than his present rate.
 2. An employee with more than twenty (20) full years of service shall not suffer any wage retrogression and his pay scale shall be prefaced with the words "SPECIAL RTE."
 3. There shall be no reduction in the employee's group life insurance amount as a result of the above retrogression.
 4. If a dispute arises between the Company's physician and the employee's family physician and, in the event of a disagreement as to the employee's condition and/or ability to perform the work of any particular job classification, the case shall be referred to a recognized specialist or clinic in the field of medicine involved whose opinion will be final and binding upon all parties involved. The employee's physician and the Company's physician shall make the selection of such specialist or clinic.

14. MEDICAL RECORDS

In accordance with existing laws, the Union must have a release form signed by the employee before the Company will discuss or release any medical information pertaining to or about any employee.

15. CHANGE OF CARRIERS

During the term of the contract, the Company may, at its discretion, change carriers. However, the benefits will be continued unchanged.

16. SAVINGS PLAN FOR OPERATING EMPLOYEES

Effective May 1, 1990, employees of Local 486 may be eligible to enroll in the Savins Plan for Operating Employees. This Plan allows you to save for retirement through payroll deductions on a pre-tax basis. The money that you choose to have withheld from your pay will be invested in the common stock of Bay State Gas Company.

Effective January 1, 1991, the investment options will also include the Index, Templeton and Selection Funds.

17. DRUG TESTING AND DOT PHYSICALS

The Company will institute a split sample element to its existing DOT drug testing program.

The Company will make available a drug test as part of the DOT physical.

18. DEPENDENT CARE & HEALTH CARE SPENDING ACCOUNTS

The Company will offer dependent care and health care reimbursement accounts on a pre-tax basis effective January 1, 1994.

XIII. RESTRICTIONS – COMMITMENTS

1. INFRARED LARGE PATCH MACHINE

It is agreed that when the Infrared Machine is used in the Northampton Division, the first opportunity to perform this work will be given to qualified and available Northampton Division bargaining unit employees. When there are not enough qualified and/or available employees from the Northampton Division bargaining unit, the Company may use Springfield Division bargaining unit employees to perform this work and when they are not available, temporary employees may be used. However, in such cases, not less than one (1) employee from the Northampton Division bargaining unit shall be assigned to the crew, if available.

It is further agreed that the use of Springfield Division employees or temporaries will not diminish the size of the Northampton bargaining unit.

2. LIVE GAS TIE-INS

With the exception of self-tapping and no-blow fittings, tie-ins on live gas will be performed by two (2) qualified employees.

When high pressure is involved, the crew will consist of two (2) qualified employees, plus an additional employee.

3. COMPANY VEHICLES

The Company and the Union agree that employees at the Northampton location will not take Company vehicles home. Company vehicles will be left at the Northampton reporting location at the end of each work day. Persons on call will continue to take their company vehicles home.

4. OFF HOUR COVERAGE

During off hours not covered by Northampton based bargaining unit employees on shift, the Company may cover those hours with Springfield bargaining unit employees who are on shift work and can cover the off-hour Northampton work on a non-overtime basis. (The work performed by Springfield Local 12026 employees will be emergency or non-routing in nature.) If any additional help is required, it will result in the call in of Northampton bargaining unit employee(s).

5. MOVEMENT OF WORK

During the term of the Agreement, effective June 15, 1993, the Company agrees that no work presently and traditionally performed by the collective bargaining unit, will be transferred or moved from this facility to another facility except by mutual agreement of the parties.

6. MEETINGS

The Company and Union will meet every two months beginning in September to review the cost effectiveness and efficiency of these modifications.

7. SUMMER EMPLOYEES

Summer employees shall be those non-union employees employed between May 1st and September 5th for vacation relief.

8. UPGRADE TO HEAVY EQUIPMENT OPERATOR

Should the present grade 7 laborer become qualified and licensed to operate the backhoe and heavy equipment and work as a grade 8 Heavy Equipment Operator for a period of more than six (6) months aggregate in any one year. He/she will become permanent in that position the following year.

XIV. BROTHERHOOD - MANAGEMENT COMMITTEES

1. SAFETY COMMITTEE

The Brotherhood shall appoint a member to be its representative of the general Safety Committee. The member designated shall meet with other members of the Committee at such time and place as meetings are scheduled to discuss matters pertaining to safety.

2. JOINT UNION MANAGEMENT COMMITTEE

The parties hereby establish a Joint Union and Management Committee (J.U.M.C.) to meet as needed but at least once each two months. The Committee is to be chaired jointly by a co-chairman designed by the Company and a co-chairman of the Union which will be the District Director for the United Steelworkers of America District 15, or his designee. The members of the Committee will include the Local Union President, Vice President, two Local Union designees, one of which will be from IBERIA Local 486, and assigned International Representative(s), and an equal number of Management designees. Any IBEW International Representative who shall be present will solely be there to assist the local union. Such other representatives as the parties agree will be included.

No grievances will be discussed at such meetings.

It is the intent of the parties that the J.U.M.C. will bring about a cultural change, improve morale, improve productivity and develop common goals.

The Company will pay the cost of employing a mutually agreed on consultant and/or a facilitator to work with the J.U.M.C. to develop problem-solving skills, to develop a vision statement and to assist the J.U.M.C. in their efforts.

XV. COMPLAINTS & GRIEVANCES

1. GRIEVANCE PROCEDURE

- a) The Company Committee and the Grievance Committee may meet on call by either party, at a time mutually agreed upon, as required to discuss disputes arising out of this Agreement. The notice of such meetings will contain necessary information on the subject matter of this meeting.
- b) During the term of this Agreement, should any dispute arise between the Company and the Brotherhood as to the true interpretation and application of this Agreement, there shall be no suspension of work, but the same shall be treated as a grievance and every reasonable effort shall be made to settle such grievance in the following manner, except in the case of a general grievance raised by the Brotherhood, in which case the grievance shall be a written one originated by the aggrieved party at Step 3 below:
- c) A grievance shall be filed within sixty (60) calendar days of the incident causing it or sixty (60) calendar days from when the incident should have reasonably been known by a member of the Grievance Committee.

The grievance steps shall be as follows:

1. The aggrieved employee(s) and his or their Steward shall discuss the grievance with the immediate supervisor and attempt to settle the grievance. If the Shop Steward is not available, the employee(s) may be

represented by a member of the Grievance Committee. If a satisfactory settlement is not reached within five (5) working days, then

2. Within five (5) work days of the time that the grievance was answered at Step 1, the Union Committee shall reduce the grievance to writing on a form mutually agreed to by the Company and the Brotherhood and forward the written grievance to the Department Manager or his designate with a copy to the Personnel department. The Department Manager or his designate shall discuss the grievance with the Grievance Committee and shall reply in writing within five (5) work days and if a satisfactory settlement is not reached, then
3. Within five (5) work days of the receipt of the written reply, the grievance shall be referred for settlement to the Vice President of the Company and a representative of the Local Union No. 486, or their designated representatives. An International Representative of the International Brotherhood of Electrical Workers may be present at this step of the grievance procedure only to assist the Local Union. The Company and the Brotherhood shall have ten (10) work days to resolve the grievance at this step. If the grievance is not resolved at this step in a manner satisfactory to both parties, then the Brotherhood has the right and authority to submit the grievance or dispute to arbitration in the manner provided under this Article. The Brotherhood must notify the American Arbitration Association within thirty (30) calendar days of the expiration of the aforementioned ten (10) day period.

If the time limits in the grievance procedure are not observed, a grievance shall be considered waived unless an extension of time is mutually agreed to in writing.

- a) A grievance shall be filed within sixty (60) calendar days of the incident causing it or sixty (60) calendar days when the incident should have reasonable been known by a member of the Grievance Committee.

2. ARBITRATION

If a grievance involving the interpretation or application of this Agreement is not satisfactorily resolved in the grievance procedure, the Brotherhood may request the American Arbitration Association to provide a panel of Arbitrators from which the parties will select an Arbitrator to hear the grievance. The Arbitrator so selected shall have no power to add to, subtract from or otherwise modify the terms of this Agreement. The decision of the Arbitrator shall be final and binding on both parties and shall have the same force and effect as a judgment of law. His fee and expense shall be shared equally by the parties.

3. BROTHERHOOD REPRESENTATION

An employee at his request may have a Brotherhood Steward of his choice from his department or one designated by the Local Business Manager if there is no department steward present at an interview where it is possible that a written reprimand, disciplinary suspension or discharge involving the employee may result.

XVI. AGREEMENT

1. TERM OF AGREEMENT

This Agreement shall be effective from March 1, 1993 and shall continue in full force and effect through June 18, 1999. Either party may terminate the Agreement by giving notice in writing to the other party at least sixty (60) calendar days prior to the expiration date of this Agreement. Whenever notice to terminate this Agreement as herein provided is given, the parties agree that at least thirty (30) calendar days prior to the expiration date, joint conferences will be held for the purpose of negotiating another agreement.

2. FULL AGREEMENT

This agreement constitutes the Full Agreement between the parties, and all Agreements, oral or written, heretofore made are hereby canceled.

3. ASSIGNMENT

This Agreement shall be binding upon the parties hereto, their successors and assignees.

XVII. LETTERS OF UNDERSTANDING

1. BAY STATE GAS EMPLOYEE SPECIAL GOAL ACHIEVEMENT PLAN

It is agreed to form a joint union management committee to mutually agree on the final details of a Bay State Gas E.S.G.A.P. which includes performance measures, goals, and payout amount. The committee will be comprised of an equal number of Union and Management personnel and will be jointly chaired.

The Committee will meet as often as necessary, but no less than once a month so they may formulate for implementation the details of the following goals.

- Financial Performance Measure (e.g. cost per customer)
- Customer Satisfaction/Quality
- Attendance
- Safety

The parties agree that any earning resulting from this program will be in addition to their weekly earnings.

The goal of the committee will be to implement the plan by October 1, 1994, unless extended by mutual agreement. The plan will be on a fiscal year basis (10/1/94 – 9/30/95) with the first payment, if any, made prior to January 1, 1996.

The company will make available all necessary information and resources needed in dealing with the above.

It is also understood that no bargaining unit employee who serves on the committee will incur any loss of wage, benefits, or incur any expense as a result of the time spent in the committee meetings.

2. NATIONAL HEALTH

In the event a National Health Program is established and this program has an impact on the availability, legal status or tax status of the negotiated program, the parties will meet to explore and discuss and negotiate its effect and any agreement will be by mutual consent. The parties agree that this language will not be used to reduce the employer's commitment to provide the health benefit package or its substantial equivalent that is currently provided under this contract.

3. SAFETY AND HEALTH

During the term of the current contract, the parties agree to meet and work out the details of a comprehensive safety and health manual, including hearing conservation programs and an asbestos protection and abatement program.

The dates of such programs will be put into effect by mutual agreement.

During the development of the Safety and Health Manual any programs which are required by Federal and State law or regulations will be implemented as soon as practicable, but may continue to be refined which may lead to change of the initial program upon implementation of the Safety and Health programs.

4. BARGAINING UNIT INTEGRITY

The assignment of bargaining unit work to non-bargaining unit personnel during the lockout was unilateral, involved no acquiescence by the Union, and cannot be used as precedent in any dispute over the scope of bargaining unit work. This agreement does not limit discussion of or negotiation which involves facts or statistics learned as a result of the lockout.

5. NEUTRALITY

From May 15, 1996 until May 15, 1999, Bay State Gas agrees to a position of neutrality in the event that a Union seeks to represent Temporary employees of B.S.G. company.

Neutrality means that the Company shall neither help nor hinder the Union, in an organizing campaign, nor shall it comment upon the Union's motives, integrity, character or performance during a campaign. Also, the Company shall not provide any support or assistance of any kind to any person or group opposed to Union organization.

Where neutrality applies, the Company reserves the right to respond to employee's inquiries relating to the issue of Union organization and engage in normal communications with employees concerning their employment.

6. OFFICIAL SIGNING OF AGREEMENT

Parties agree to do this after the proofreading is completed on Company time.

7. ATTENDANCE BONUS

Parties agree the attendance bonus agreement is discontinued as of the date of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed
the day and year first above written.

Bay State Gas Company

By James A. Burke
Vice President

FOR THE EMPLOYEES OF BAY STATE
GAS COMPANY LOCAL 486 OF THE
INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS

By Kevin McCarthy
Director, Human Resources

By
Business Manager

By Michael W. Pakenas
Manager, Employer Relations

By
Unit Representative
International Brotherhood
Of Electrical Workers

APPENDIX A

WAGE RATE PROGRESSION March 7, 1993

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 10 Months	Job Rate Maximum 24 Months
1	11.18	11.72	12.26	12.91	13.36
2	11.81	12.38	12.94	13.52	14.13
3	12.49	13.07	13.67	14.28	14.89
4	13.13	13.76	14.40	15.04	15.71
5	13.87	14.51	15.15	15.81	16.50
6	14.64	15.33	16.04	16.72	17.45
7	15.49	16.20	16.93	17.67	18.42
8	16.34	17.09	17.87	18.65	19.46
9	17.30	18.09	18.92	19.75	20.60
10	18.54	19.37	20.18	21.04	21.90

APPENDIX B

WAGE RATE PROGRESSION March 6, 1994

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 10 Months	Job Rate Maximum 24 Months
1	11.63	12.19	12.75	13.33	13.92
2	12.28	12.87	13.46	14.06	14.70
3	12.99	13.60	14.22	14.85	15.48
4	13.66	14.31	14.98	15.65	16.34
5	14.43	15.10	15.75	16.44	17.16
6	15.22	15.95	16.68	17.39	18.15
7	16.11	16.84	17.61	18.38	19.15
8	16.99	17.77	18.58	19.40	20.24
9	17.99	18.82	19.68	20.54	21.43
10	19.28	20.14	20.99	21.88	22.78

APPENDIX C

WAGE RATE PROGRESSION March 5, 1995

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 10 Months	Job Rate Maximum 24 Months
1	12.10	12.68	13.26	13.86	14.48
2	12.77	13.39	13.99	14.62	15.28
3	13.51	14.14	14.71	15.44	16.10
4	14.21	14.88	15.58	16.27	16.99
5	15.00	15.70	16.36	17.10	17.84
6	15.93	16.59	17.35	18.09	16.87
7	16.75	17.42	18.31	19.11	19.92
8	17.67	18.49	19.32	20.18	21.05
9	18.71	19.57	20.47	21.37	22.29
10	20.05	20.95	21.83	22.76	23.69

APPENDIX D

WAGE RATE PROGRESSION March 3, 1996

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 10 Months	Job Rate Maximum 24 Months
1	12.58	13.19	13.79	14.14	15.05
2	13.28	13.92	14.55	15.21	15.90
3	14.05	14.70	15.38	16.06	16.75
4	14.77	15.48	16.20	16.92	17.67
5	15.60	16.33	17.04	17.79	18.56
6	16.47	17.25	18.04	18.81	19.63
7	17.42	18.22	19.05	19.87	20.72
8	18.38	19.22	20.10	20.98	21.89
9	19.45	20.35	21.29	22.22	23.18
10	20.86	21.79	22.70	23.67	24.64

APPENDIX E

WAGE RATE PROGRESSION March 2, 1997

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 10 Months	Job Rate Maximum 24 Months
1	13.08	13.72	14.35	14.99	15.66
2	13.81	14.49	15.14	15.81	16.53
3	14.61	15.29	16.00	16.70	17.42
4	15.37	16.09	16.95	17.60	18.38
5	16.23	16.98	17.72	18.50	19.30
6	17.13	17.94	18.76	19.57	20.41
7	18.12	18.95	19.81	20.67	21.54
8	19.12	19.99	20.90	21.82	22.77
9	20.23	21.17	22.14	23.11	24.10
10	21.69	22.66	23.61	24.61	25.62

APPENDIX F

WAGE RATE PROGRESSION March 1, 1998

Grade	Entry Rate Minimum	After 6 Months	After 12 Months	After 10 Months	Job Rate Maximum 24 Months
1	13.61	14.26	14.92	15.59	16.28
2	14.36	15.06	15.74	16.45	17.19
3	15.20	15.90	16.64	17.37	18.11
4	15.98	16.74	17.52	18.30	19.11
5	16.88	17.66	18.43	19.24	20.07
6	17.81	18.66	19.51	20.35	21.23
7	18.85	19.70	20.60	21.50	22.41
8	19.88	20.79	21.74	22.70	23.68
9	21.04	22.01	23.02	24.03	25.07
10	22.56	23.57	24.55	25.60	26.65

APPENDIX G

CLASSIFICATIONS BY GRADE

GRADE 1

None

GRADE 2

Distribution Operator C

GRADE 3

Service Technician C

GRADE 4

None

GRADE 5

Distribution Operator B

GRADE 6

Service Technician B
Equipment Operator B
Meter/Equipment Servicer
Operator/Driver

GRADE 7

Operator/Driver

GRADE 8

Service Technician A
Equipment Operator A

GRADE 9

Service Technician A A/C
Senior Distribution Operator

GRADE 10

Lead Service Technician

APPENDIX H

OPERATING CLASSIFICATIONS – RELATED JOB SERIES RELATIONSHIPS BY GRADE AND FUNCTION

GRADE	DISTRIBUTION		CUSTOMER SERVICE
1			
2	Distribution Operator C		
3			Service Technician C
4			
5	Distribution Operator B		
6		Equipment Operator B	Service Technician B
7		Operator/ Driver	
8	Equipment Operator A	Equipment Operator A	Service Technician A
9			
10			

APPENDIX I

PROGRESSION RELATED JOB SERIES
I.B.E.W., LOCAL 486

CLASSIFICATION:

Service Technician

Progression	3/1/87	3/1/88	3/1/89
Entry C-Min. Grade 3	\$9.50	\$9.93	\$10.38
6 Months	10.84	11.33	11.84
12 Months B, Grade 6	12.18	12.73	13.30
18 Months	13.52	14.13	14.77
24 Months A-Max. Grade 8	14.86	15.53	16.23

Distribution Operator:

Entry C-Min. Grade 2	8.99	9.39	9.81
6 Months	9.89	10.33	10.79
12 Months B, Grade 5	10.78	11.27	11.78
18 Months	11.68	12.21	12.76
24 Months-Max. Grade 5	12.58	13.15	13.74

Equipment Operator:

Entry-Min. Grade 6	11.16	11.66	12.18
6 Months	12.09	12.63	13.19
12 Months-A Grade 8	13.01	13.59	14.20
18 Months	13.93	14.56	15.22
24 Months-Max. Grade 8	14.86	15.53	16.23

**APPENDIX J
UNION DUES DEDUCTION AUTHORIZATION**

Input Date

Employee Name

Personal Control Office

Effective Date

Local

I hereby request and authorize the Bay State Gas Company – Springfield Division to deduct the sum of \$ _____ each calendar week/month following the date hereof and continuing hereafter until this assignment is revoked by me in writing. I do hereby assign said sums to be deducted in payment of membership dues to the Treasurer of the above named union local.

Name

Signature of Employee

Witness

For Personnel Control Office Use Only

Trans. No.	Social Security Number	Proc Code	Local Code	Deduction
---------------	---------------------------	--------------	---------------	-----------

D 10

Process Code

12 Add

42 Change

62 Delete

Prepared By:

Date:

Terminal Entry By:

Date:

APPENDIX K

ATTENDANCE IMPROVEMENT PROGRAM

1. PROBATIONARY EMPLOYEE

Each absence of a probationary employee will be carefully analyzed. The absentee record is an important factor in determining whether a probationary employee should be allowed to become regular.

Occasionally, an individual's record suddenly worsens directly following the probationary period. In such cases, consideration should be given to warning the individual of possible discharge rather than mere loss of sick pay and the Brotherhood should be advised of this action.

2. REGULAR EMPLOYEE

a) The Record

Whether an employee should be called in for discussion of his poor absentee record will depend on a careful analysis of that record. Consideration should be given to such things as the number of absences (frequency), total days lost, exclusive of authorized absences (personal time, civic duties, Brotherhood business, etc.), pattern of absence (past record, sudden change, regularity, days of week out), length of period over which absenteeism has been considered excessive, (with Company experience as a general guide). Before holding such an interview, the department manager should consult with the Brotherhood and Personnel Department. (The Brotherhood will be notified of any Company changes relative to periods considered as excessive).

An informal discussion shall be conducted between the department supervisor and an employee when it appears that the attendance of the employee should be improved before a formal warning interview is scheduled.

b) First Interview – Warning

When such an interview is scheduled, the department supervisor shall request a representative of the Brotherhood to be present at the meeting. Following the meeting the department supervisor will send a letter to the employee summarizing the conclusions of the meeting, with copies going to the Brotherhood and to Personnel.

In the first meeting, the employee shall be told of the difficulties in running a department when an individual is frequently absent and also that the Company's sick pay policy was not designed for such excessive absenteeism. If the employee would like to see the Company doctor, this shall be arranged, and the doctor's recommendation received. If the employee does not want to see the Company doctor, he should be told that his absentee record must improve or he may be put on a pay-for-time-worked basis. A continuing bad record may mean the individual is not employable.

c) Second Interview

The absentee record will be checked every three (3) months, and if there is no improvement in three to six months after the warning, the department manager shall meet with the employee and tell him he is being put on a pay-for-time-worked basis effective immediately. Again, a representative of the Brotherhood shall be requested to be present for the interview. A letter will again be sent to the employee with copies to the Brotherhood and to the Personnel Department.

d) Follow-Up

Failure to Improve

The absentee record of an individual on a pay-for-time worked basis shall be checked every three(3) months and if no improvement is observed within one(1) year, a discussion between the department manager, Personnel and the Brotherhood shall be conducted to determine what action, if any, should be taken.

Improvement

If the employee's absentee record improves to the point where it is no longer considered excessive for a six (6) month period then the department manager may restore sick pay benefits to the employee. When this is done, the department manager shall warn the employee that if his record again becomes poor, he may be returned to a pay-for-time-worked basis for an indefinite period. If the employee's record is satisfactory for a further period of one (1) year, the warning shall be removed from the employee's record and the employee and the Brotherhood will be given written notice of this action.

*Exception

In case of positive action on the part of the employee designed to eliminate his absentee problem; for example, by having corrective surgery completed, the employee may be restored sick pay benefits immediately. Other cases due to acute illness and surgery creating extreme hardship in deserving instances will be reviewed on an individual basis.

3. DEFINITION OF PAY-FOR-TIME-WORKED

An individual on a pay-for-time-worked basis shall be paid only for those hours worked, except that he shall also be paid under the following circumstances as determined by the appropriate Company policy: vacation, holiday, death in family, jury leave, military leave, occupational injury and authorized absences.

GENERAL

On occasion an employee may feel that the Company is questioning the legitimacy of his declared illness. This is not the case. The above procedure is based on excessive absenteeism which is a matter of record. Therefore, this procedure would not cover an instance where an

employee is known to have falsely claimed an absence due to illness, nor would it cover a situation where an employee failed to notify the Company of his absence.

Agreement

as to

WAGES, WORKING CONDITIONS & SENIORITY

between

BAY STATE GAS COMPANY

LAWRENCE DIVISION

and

INTERNATIONAL BROTHERHOOD OF

ELECTRICAL WORKERS

LOCAL UNION NO. 326

June 19, 2000 - June 18, 2005

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I. INTRODUCTION

1. Agreement

AGREEMENT made and entered into by and between BAY STATE GAS COMPANY, LAWRENCE DIVISION, Massachusetts Corporation, hereinafter referred to as the "Company", and LOCAL NO. 326 of INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, for the EMPLOYEES OF THE COMPANY, located at Lawrence, Massachusetts who have designated the International Brotherhood of Electrical Workers, Local Union No. 326, to act for them as their collective bargaining agency, hereinafter referred to as the "Brotherhood".

2. Purpose of Agreement

The parties making this Agreement recognize that the best interests of the employees, the Brotherhood and the Company are in the long run largely identical and that all will benefit from a mutual understanding of the terms and conditions of employment and the advantages and obligations inherent in the relationship between employer and employees. Believing that such mutual understanding will assure the orderly operation of the industrial process, the parties have entered into this Agreement.

Both the Company and the Brotherhood desire to promote harmony and efficiency in the working forces so that the employees and the Company may obtain mutual economic advantages consistent with the duty of the Company, as a public utility, at all times to provide adequate and uninterrupted gas service in the territory and communities it serves.

The Company recognizes an obligation to promote good employee relations by maintaining rates of pay, wages, hours of employment and other conditions of employment that are equitable, realistic and competitive.

In consideration of the mutual covenants and agreements hereinafter set forth, it is agreed as follows:

II. RECOGNITION

Brotherhood Recognition and Bargaining Unit

The Company recognizes the International Brotherhood of Electrical Workers to be the exclusive representative of all employees of the Company located at Lawrence described for the purposes of collective bargaining.

WHEREAS, the Brotherhood represents a majority of the employees in the departments of the Company located at Lawrence set forth in APPENDIX A & F marked "Classifications and Wage Grades" and has been designated by said majority to be the exclusive representative of all employees in such departments for the purpose of collective bargaining with respect to rates of pay, wages, hours of work and other conditions of employment.

The provisions of this Agreement shall not apply to Company executives, officials, supervisors or foremen, nor to the personal office forces of the Company executives, officials or supervisors, or other office employees who perform duties of a highly confidential nature.

III. RESPONSIBILITY

1. Responsibility of Management

The Brotherhood agrees, for itself and its members, not to hinder or interfere with the management of the Company in its several departments, including the assignment of work, the direction of the working forces, the right to hire, suspend or discharge for proper cause, to transfer employees to work for which they are better suited and to furlough employees because of lack of work, but in the exercise of these responsibilities of management, the Company agrees that it will not discriminate against any member of the Brotherhood. This article shall in no way abrogate any other clause in this Agreement.

The Company retains the right to employ, transfer, promote or discharge employees, regardless of membership or non-membership in the Brotherhood.

2. Responsibility of the Brotherhood

In consideration of the commitments assumed by the Company in this Agreement, the Brotherhood agrees that its officers, agents and members will cooperate directly and indirectly with the efforts of the employer to maintain high efficiency,

productivity and competence in the work force and to train employees to improve their skills & abilities.

The Brotherhood agrees that it will encourage its members to suggest improvements in practices & procedures, participate on change initiative teams and to welcome changes introduced to: improve service & performance; reduce costs, waste, damage & accidents; increase individual productivity. The Brotherhood agrees to support the efforts of the management to provide economical & quality service to consumers and encourage work assignments which fully utilize the skills and time of individual members.

3. Responsibility of Employees

- a. Employees shall individually and collectively work so as to maximize operating efficiency and individual and group productivity. They shall make every effort to protect the property of the Company and represent the best interests of the Company in their relationships with consumers and the public.
- b. Employees shall not engage in work for pay of their own or for another employer when there may be a conflict of interest between the services provided by the Company and the activities of the employee.

4. No Strike - No Lockout

The Brotherhood recognizes the continuous and uninterrupted operation of the Company's facilities and orderly collective bargaining relations are essential considerations for this Agreement between the Company and Brotherhood. It is further agreed that the Brotherhood and its members individually and collectively will not, during the terms of this Agreement, cause, permit or take part in any strike, picketing, sit-down slowdown or other curtailment or restriction of production or interference with work in or about the Company's plant or premises.

In consideration of this commitment by the Brotherhood, the Company agrees not to engage in a lockout.

5. Corrective Procedure

In further consideration of the mutual promises contained herein, the parties hereto expressly agree that neither party shall bring, or cause to be brought any court or other legal or administrative action against the other until the dispute, claim,

grievance or complaints shall have been brought to the attention of the party against whom it shall be made and the said party, after actual notice of same, shall within a reasonable time, fail to take steps to correct the cause or circumstances giving rise to such dispute, claim, grievance or complaint.

6. Compliance with Laws and Regulations

In the event that any provision of this Agreement shall at any time be declared invalid by any court of competent jurisdiction, or by any duly constituted governmental agency of the United States or the Commonwealth of Massachusetts, such decision shall not invalidate the entire Agreement, it being the express intention of the parties hereto that all other provisions not so declared invalid shall remain in full force and effect.

7. Nondiscrimination

- a. Parties to this Agreement will insure that practices and policies will conform to State and/or Federal legislation concerning nondiscrimination toward all employees.
- b. Gender-All references as to the masculine gender in this Agreement shall be also construed to refer to the feminine gender, where applicable.

IV. BROTHERHOOD MEMBERSHIP

1. Union Shop

It is agreed that all employees who are members of the Brotherhood as of the effective or execution date of this Agreement and all employees who thereafter have become or may hereafter become members of the Brotherhood shall remain members of the Brotherhood for the duration of this Agreement as a condition of continued employment by the Company; and further, that all new employees covered by this Agreement hired after the date of this Agreement shall, within thirty (30) days following employment, become members of the Brotherhood and remain members for the duration of this Agreement as a condition of continued employment. Good standing shall mean only the payment of the initiation fee and periodic dues.

2. Regular Employees

The term "regular employee" shall include any employee holding a regular position who has completed the established probationary period and is scheduled to work at least 1,000 hours in a calendar year.

3. Temporary Employees

The term "temporary employee" means those hired to fill temporary jobs such as seasonal construction, temporary maintenance work or in other unusual situations. Any such employee who shall have worked six (6) consecutive months for the Company or in the Distribution Department, nine (9) consecutive months, may hereby become a regular employee with seniority as of the date of becoming a regular employee, if regular positions are available. Temporary employees are not covered by the provisions of this Agreement. The Company, within its discretion, may sever the employment of temporary employees.

It is further agreed between the Company and the Brotherhood that full-time regular employees in the Distribution Dept. classifications, will not be reduced as long as temporary employees are used in these classifications.

4. Probationary Employees

The term "probationary employee" means those hired on a six (6) months' trial to fill regular authorized positions which are open or expected to be open. It is understood that if such probationary employees are found to be satisfactory and if the positions are still open, they will become regular employees.

The Company may request to extend the six (6) month probationary period for up to an additional six (6) months provided written notice is given to the Brotherhood ten (10) days before the extension is made. The Brotherhood shall have the right within five (5) workdays after such notice to request a meeting to discuss the extension and if the Brotherhood is not satisfied with the reasons for the extension, it may register its objection and the extension will not be granted.

After thirty (30) days of employment, probationary employees shall be eligible for all benefits except those which are not provided until after stated service requirements are met. The Company within its discretion may sever the employment of probationary employees.

5. Collection of Dues and Fees

The Company agrees to deduct weekly from earned wages and remit to the Local Union the dues and assessments of those employees who are members of the Brotherhood.

V. HOURS OF WORK

1. Workweek

The normal workweek shall consist of forty (40) hours. Work schedules will be established by the company. No regular workday shall be less than eight (8) hours or exceed ten (10) hours.

2. Work Schedule

A workweek schedule will be posted for shift workers as far in advance as practicable, but not less than twenty-four (24) hours in advance of any change. Two (2) consecutive days of relief will be granted whenever practicable without additional expense to the company.

3. Work Schedule Changes

A regular place and a stated hour for reporting for work shall be given each employee. The hours of work shall be continuous, except those operations where time is usually taken off for lunch.

4. Meal Period

The meal period shall be thirty (30) minutes.

The time for beginning the meal period will be within five (5) hours of the starting time on the day shift; preferably between 12:00 noon and 1:00 P.M. It is understood that the meal period is to be taken at the job site area.

Employees engaged in positions where eight (8) hours of continuous operation is necessary, shall be allowed a meal period of twenty (20) minutes with pay, such meal time to be taken so as not to interfere with continuous operation..

It is understood that an employee on a customer's premises may, at his discretion, continue working to complete a job and take his meal period later.

5. Rest Time

Scheduled first shift employees:

When call-outs begin prior to midnight and continue past midnight, an hour of rest time will be accrued for each hour worked after midnight. If work continues to within four (4) hours of the employee's regular starting time, the employee will be entitled to the following shift off with pay. This provision does not apply to the application of deferred compensating rest time which will continue to be on an hour for hour basis.

When a call-out begins after midnight and a full four (4) hours of work is required prior to the employee's starting time, the employee will be entitled to half of the following shift off (exclusive of travel time and established lunch period) with pay.

Breaks of one (1) hour or less will be included in determining total consecutive time.

In any twenty-four (24) hour period, an employee who has worked continuously sixteen (16) hours or more shall be entitled to eight (8) hours rest (exclusive of 30 minutes travel time and established lunch period). If such rest period should overlap the employee's normal workday, he shall suffer no loss of pay for time involved.

However, if because of interruption to service or any other need to maintain an adequate work force, this rest period is not possible in the next normal workday or such rest period runs into a day of relief or holiday, compensating time off will be given at a later mutually agreed upon date for the time which overlaps the normal workday (normal workday on day of relief or holiday being that of last regularly scheduled workday).

6. Leaves of Absence

a. Leaves for Business of the Brotherhood

Without loss of seniority rights, employees who are members of the Brotherhood when delegated or elected to transact business or matters pertaining to the Brotherhood, shall be granted such leave of absence as may be approved by the Divisional Manager.

b. Leave for Maternity

An employee who has completed the six (6) months probationary period and who is pregnant will be eligible for a maternity leave, without pay and without loss of seniority, not to exceed six (6) months, including the period of paid disability, vacation and unpaid leave (unpaid leave can not exceed three (3) months) and upon return to work shall be restored to the previous position or a similar position with the same status as of the date of leave unless operating conditions occur during the absence which affect the employees seniority status. All time away for maternity leave will be considered as leave under FMLA.

Health and life insurance shall be continued for up to six (6) months for each maternity leave granted. However, the employee must continue to contribute toward the cost of any benefit plans that require employee contributions during the leave of absence.

Holidays occurring within any disability period are paid under the disability provision of the Labor Agreement. Holidays occurring within any unpaid leave of absence shall not be paid.

If an employee has medical complication, the paid leave period provided under Article XII (Personal Security) shall apply in accordance with applicable laws.

7. Attendance Reporting and Improvement

Any employee who expects to be absent from work shall call his immediate supervisor or Dispatch Supervisor before or at the start of the shift for first (1st) shift employees, two (2) hours before in the case of second (2nd) or third (3rd) shift employees where practicable for each day of absence, stating causes of absence and when he expects to be able to return to work.

A procedure for improving attendance is included as a part of this Agreement.

(ATTENDANCE IMPROVEMENT PROGRAM - APPENDIX E)

VI. WAGES

1. Wage Level

The Company agrees to provide a wage schedule which will give each employee a fair wage for work performed. Wage differentials between jobs are based on differences in responsibilities, skills and duties, as determined by evaluation.

(OPERATING CLASSIFICATIONS-RELATIONSHIPS BY GRADE AND FUNCTION-RELATED JOB SERIES - APPENDIX D)

- a. All present job rates are to be increased effective June 18, 2000, by two and one-half percent (2.5%), as provided in the wage schedule Appendix B,C,G & H.
- b. All present job rates are to be increased effective June 17, 2001, by two and one-half percent (2.5%), as provided in the wage schedule Appendix B,C,G & H.
- c. All present job rates are to be increased effective June 16, 2002, by two and one-half percent (2.5%), as provided in the wage schedule Appendix B,C,G & H.
- d. All present job rates are to be increased effective June 15, 2003, by two and one-half percent (2.5%), as provided in the wage schedule Appendix B,C,G & H.
- e. All present job rates are to be increased effective June 20, 2004, by two and one-half percent (2.5%), as provided in the wage schedule Appendix B,C,G & H.

2. Wage Grade

Jobs of the same relative value are grouped together into Wage Grades. The grade determines the rate of pay for all jobs included in the grade.

(OPERATING CLASSIFICATIONS AND WAGE GRADES- APPENDIX A) (CLERICAL TECHNICAL CLASSIFICATION AND WAGES GRADES- APPENDIX F)

3. Wage Range

Wage ranges are established for each wage grade. A minimum and maximum applies to each job.

(OPERATING WAGE SCHEDULES - APPENDIX B AND C)
(CLERICAL TECHNICAL WAGE SCHEDULE - APPENDIX G)
(RESIDENTIAL SALES AGREEMENT - APPENDIX H)

4. Wage Determination

As in past contract negotiations, it was agreed, that the Company reevaluated all present job classifications. It was further agreed that this reevaluation resulted in the creation of new classifications and/or former job classification being combined, separated, re-described, re-titled and/or assigned a labor grade under the new system. The numbering system used by the Company under the present agreement for labor grades (1 to 10) shall be used for the Operating jobs and labor grades (18 - 14) shall be used for Clerical Technical jobs.

In the event a new job is established or a substantial change is made in the duties of an existing job, the rate for the new or changed job shall be established by the Company based on its equitable relationship to other jobs. During the thirty (30) day period immediately preceding the expected date of the change, the Company shall discuss the appropriate wage grade and rate with the Brotherhood. If the Brotherhood disagrees on the rate established, they shall have the right for a period of thirty (30) days thereafter to appeal the Company's decision through the grievance and arbitration procedure and the final rate determination shall be paid as of the date the job was filled or changed.

5. Wage Administration

The Company establishes job classifications and the combination of duties that make up a job classification and also determines whether or not a classification shall be filled and how many individuals are required in a classification at any time.

Individuals within a classification are required to perform all duties included in the classification.

To be eligible for promotion, employees bidding for posted openings must meet the minimum qualifications established for the job.

To be eligible for promotion within a related sequence of classifications, employees shall begin in the lowest classification in the sequence and pass examination and complete required service in each successive level.

(OPERATING WAGE PROGRESSION - RELATED JOB SERIES-
APPENDIX C)

6. Assignment Between Jobs Not in a Related Job Sequence

a. To Higher Wage Grade

An employee who bids or is assigned to a job in a higher grade shall be paid from the day they report on the job the minimum for the job, or the step rate nearest above his present rate but not to exceed the six (6) month step rate, whichever is higher, and continue the established progression for the new grade. Service while temporarily assigned to a higher wage grade shall be cumulative and counted in establishing the appropriate rate for working in the high grade.

b. To Same Wage Grade

An employee who bids or is assigned to a job in the same grade shall be paid his present rate, but not to exceed the six (6) month step rate and continue his progression, if any, to the job rate.

c. To Lower Wage Grade

An employee who bids or is assigned to a job in a lower grade shall receive the step rate nearest his present rate but not to exceed the six (6) month step rate for the new job.

7. Wage Progression

Progression to the job maximum rate shall be in intervals of no longer than a maximum of six (6) months service steps for the date of entry into the job.

8. Assignment To and Within a Related Job Sequence

An employee entering a related job sequence shall begin at a rate not to exceed the step rate next above his present rate but not to exceed the job rate maximum for the entry job and shall remain at this rate until the required time has been served to earn the step in the classification and shall then progress as qualified from grade to grade as scheduled, provided performance and periodic examination verifies continued eligibility.

If an employee is not able to progress from one level to the next, he may be removed at the Company's discretion from the job and be allowed to bump the least senior employee in his original job, or if not available, bump the least senior employee where he has the skill, physical fitness, and verified qualifications to perform the job.

9. Temporary Assignments

An employee not in the progression within a related job series temporarily assigned to a job in a higher grade shall receive the minimum rate for the grade or the rate next above his regular rate in the higher grade for each day while doing any work in a higher grade. However, this shall not apply where employees are learning the duties of a new job. If, however, an employee has held the position before and was at the rate maximum or holds a license required to perform the job, he would receive the rate maximum.

An employee in a progression within a related job series is expected to perform any assignment within the series that is covered by the training received prior to such assignment at his regular rate of pay.

An employee temporarily assigned to a lower wage grade shall continue to receive his regular rate.

Time worked in higher classifications during temporary assignments will determine the wage paid in progression while in the temporary position in accordance with the wage rate progression schedule.

If the hours worked in the higher classification exceed 1040 in the calendar year, vacations and holidays worked after the 1040 hours shall be compensated for at the rate in which the employee worked for the majority of the 1040 hours..

VII. ALLOWANCES

1. Overtime Distribution

Overtime and emergency work shall be distributed equally among the eligible employees insofar as is practicable. Overtime work is to be given to the regular employee on the job, if possible.

Employees called for emergency work shall report as soon as possible.

The opportunity to work overtime shall be equalized insofar as practicable within a department by the end of each quarter.

2. Overtime Compensation

Any hours worked in excess of a regularly scheduled workday or forty (40) hours in any week shall be paid for at one-and-one-half times the regular rate of pay. Any time worked outside of the regularly scheduled working week shall be paid for at one-and-one-half times the regular rate. An employee who works seven (7) days within a workweek will be paid double time for all work performed on the seventh day. For Monday to Friday employees, for the purpose of this overtime compensation, first day of relief is Saturday and the second day of relief is the next succeeding Sunday. All hours actually worked over sixty (60) hours within the workweek shall be paid at double time.

An employee who is requested to report before his next normal shift starting time or an employee who has not left the Company premises and is requested to work overtime shall be paid at time- and-one-half for time worked either before or after his normal shift hours.

If such employee is scheduled in advance for overtime work on a day of relief, he will be paid the minimum if the overtime work is canceled unless he is notified of the cancellation prior to the close of the preceding regularly scheduled workday. If no such notice is given the employee will report for work as scheduled, unless otherwise notified.

3. Reporting for Work Guarantee

Employees reporting for work at their regular starting time are to be assured their regular scheduled hours of pay.

This guarantee does not apply to days out of the normal work schedule for which overtime applies.

4. Shifts and Shift Allowances

Shifts are defined as follows: If a majority of the hours of a shift fall within 8:00 a.m. to 4:00 p.m., the shift will be considered the first shift. If the majority of the hours of a shift fall within 4:00 p.m. and 12:00 midnight, the shift will be considered the second shift. If the majority of the hours of a shift fall within 12:00 midnight to 8:00 a.m., the shift will be considered the third shift.

All of the shifts described above will be considered to be within the twenty-four (24) hour period normally included in the calendar year.
Any employee regularly scheduled to work on the second shift and third shift shall be paid, in addition to his regular hourly rate, an allowance for all hours worked as follows:

	6/19/00
Second Shift	\$1.50
Third Shift	\$1.65

Such shift premiums shall not apply to wages continued during disability or following an industrial accident. They shall apply, however, to vacation and holiday allowances.

If an employee is not entitled to a shift premium during his regularly scheduled hours, he will not receive a shift premium during overtime.

5. Saturday and Sunday Allowances

An employee whose work schedule includes Saturday or Sunday or both as regular workdays within his (5) day workweek shall be paid, in addition to his regular hourly rate, a premium for all hours worked as follows:

Saturday	\$4.35
Sunday	\$6.90

It is not intended that regular work schedules include both Saturday and Sunday.

The premium provided for in this section shall in no event be applicable to any hours worked for which overtime is payable.

The above allowances shall apply to wages paid for holidays and vacations. They shall not apply to wages paid for all other excused absences.

6. Standby Allowance

Employees who are available for emergency calls in accordance with a written schedule posted by the Company during periods other than their regularly scheduled workday or workweek shall be paid a daily allowance when on standby and available for call-out for a designated period as follows:

	6/19/00	6/16/02
One Shift:	\$9.00	\$9.50
Two Shifts:	\$17.50	\$18.00
Three Shifts:	\$26.00	\$26.50

Assignments pursuant to the standby provision shall normally be made for weekly periods. It is the intent of the Company to distribute standby assignments so that the opportunity to enjoy long weekends and holidays may be shared as equitably as is practicable.

7. Call-Out Allowance

When an employee is called out at anytime outside of his regular work hours, he shall receive a minimum of three (3) hours pay at time-and-one-half.

When an employee is called out one or more times within a three (3) hour period, all time worked during each three (3) hour period shall be cumulative toward the above minimum.

When an employee is called out during unscheduled hours, he will be credited with the time reasonably required beginning at the time the call is made to travel from his home to the station or job and back to his home.

8. Inclement Weather Assignments

In the event of severe rain or snow or other weather conditions to such degree that work cannot reasonable be performed by the Distribution Department employees, the Company will, except where emergency work is required, either permit such

employees to seek shelter, if available, or will return the employees to the plan for assignment to other work during such severe weather conditions. The decision of the Company as to continuance of work outside is subject to the grievance procedure.

9. Meal Allowance

A meal allowance as shown below will be provided by the Company when:

- a. An employee is required to work two (2) or more continuous hours after the end of the normal shift.
- b. Overtime work continues for an additional period of four (4) hours after granting an overtime meal period.
- c. An overtime call-out lasts for four (4) consecutive hours worked.
- d. An employee assigned to a continuous operation is called out to cover a shift on such short notice that he cannot provide his own meal.

Meal Allowance

6/19/00
\$9.50

6/16/02
\$10.00

6/20/04
\$10.50

Meal period is to be taken on the job site area.

Meal allowance must be recorded on an employee's timecard to receive reimbursement for such meal.

It is understood that the granting of a meal allowance is the equivalent of providing a meal.

10. Travel Allowance for Meter Readers

A meter reader not assigned a Company car shall be provided a daily travel allowance of either:

Five dollars (\$5.00) per workday plus ten cents (.10) per mile or thirty one cents (.31) per mile.

This is subject to change depending on accepted U.S. Government mileage expense allowance.

11. Emergency Work Outside Franchise Area Allowance

Any arrangements to perform work outside the Company franchise area shall be made with the understanding that compensation, rest time, lodging and meals shall be provided consistently with prevailing practices but not less than conditions provided in this Agreement.

12. Funeral Leave Allowance

Time off for three (3) days paid by the Company in the event of the death of an employee's spouse, child, father, mother, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent or grandchildren. Time off for one (1) day paid by the Company in the event of the death of an employee's uncle or aunt. In the event that any of the foregoing live in the immediate household of the employee, the one (1) day may be extended at the discretion of management.

The period during which the paid time off is applicable is from the date of the death to the day after the funeral inclusive. Any days falling within this period which are not worked and which are scheduled days of work for the employee will be paid, up to a total of three (3) days, provided the employee attends the funeral. If unscheduled workdays fall within this period, they are not paid.

The intent of this clause is to permit an employee to take time off for the purpose of attending the wake and funeral of a deceased member of the family without losing regular pay, up to the three (3) day maximum. It is not the intent to grant three (3) days of time off with pay because of the occurrence of the death of a family member if the employee does not attend the funeral.

13. Jury Duty Supplement

If any regular employee is required to be absent from work because of jury service, the Company will compensate him while on such service by making up the difference between what he would have received as pay for his regularly scheduled workweek (40 hours) and that which he received because of such jury service.

14. Military Duty Supplement

If any regular employee is a member of a military reserve organization of the Armed Services of the United States and he is required to report for training, the Company will compensate him while on such leave by making up the difference between what he would have received as pay for his regularly scheduled workweek (40 hours) and that which he received from the government.

However, the Company is not obligated to compensate an employee beyond one 2-week training period per year.

Employees desiring Temporary Military Leave must secure approval in advance. Upon return from such leave, the employee must present his government pay voucher and he will then receive the amount due as stipulated above.

15. Uniforms

The Company shall provide uniforms for all employees in the Customer Service, Distribution, Gas Operations and Stores Departments and for Meter Readers and Meter Reader/Collectors. After the initial issue, uniforms will be provided on a replacement basis.

The Company shall allow twenty dollars (\$20.00) to Meter Readers toward the purchase of a winter uniform coat.

Employees shall not wear their uniforms other than while on Company assignment.

Employees that have been provided uniforms are required to wear the complete uniform while on Company assignments.

16. Safety Shoes and Glasses

The Company will pay fifty percent (50%) of the cost of one pair of prescription safety eyeglasses purchased through the Company for an employee's own use following a new or changed prescription or break in the course of performing regular work.

The Company will pay an allowance toward the cost of approved safety shoes for an employee. An employee may receive an allowance of \$35.00 each for two pair of shoes per year or \$70.00 for one pair of shoes per year. To be eligible, an

employee must present the Company with a receipt of purchase.

VIII. VACATIONS

1. Vacation Eligibility

Regular employees who have completed six (6) months of service by September 1 of the calendar year shall be entitled to one (1) week of vacation with pay during the first year of employment.

Regular employees continuously employed by the Company, who meet the service requirements by December 31 of the calendar year, shall be entitled to vacation during the year with pay as follows:

Service Required	Vacation Earned
One Year	Two Weeks
Five Years	Three Weeks
Ten Years	Four Weeks
Twenty Years	Five Weeks

When a holiday occurs during an employee's vacation and he would normally have the holiday off, he will be granted an additional day of vacation or an additional day's pay as mutually agreeable.

2. Vacation Allowance

Vacation pay shall be based on forty (40) hours at the employee's customary or regular hourly rate.

Employees required to work during their vacation period shall receive, in addition to their vacation pay, double time for all time worked.

Vacation pay earned since the preceding vacation period will be prorated and paid upon termination and at the beginning of a layoff or an extended leave of absence.

3. Vacation Accrual

Vacation Accrual

Vacation will be accrued over a ten (10) month period with all vacation being accrued by October 31st of each year.

In the case of terminated employees, there will be no pay for accrued, but unused vacation. Further, any used but unaccrued vacation will be repaid to the company.

In the case of retirees, vacation will be paid according to Article VIII, Section 1. Vacation Eligibility, whether vacation was accrued or not.

In the case of voluntary termination, any used but unearned vacation will be repaid to the Company. Any accrued, but unused vacation will be paid to the employee.

4. Scheduling Vacations

Vacations will be granted according to schedules designed to accommodate the preference of the employees and the operating requirements of the Company, insofar as possible seniority will govern. One (1) of the three (3) weeks, two (2) of the four (4) weeks and three (3) of the five (5) weeks of vacation for those employees who are eligible may be scheduled by the Company at any time during the calendar year which is mutually agreeable.

Employees shall submit their first and second choice preference on or before April 1 of each year and a vacation schedule will then be prepared and posted, but this will not preclude the assignment of vacations between January 1 and April 1 when operating requirements within classification or department so permit.

Subject to operating requirements, the senior employees shall have the choice of dates for the first two (2) weeks of vacation when there is a conflict between the preference of employees. The third, fourth and fifth week of vacation will be assigned by the department head.

If an employee does not submit by May 1 his choice of time for vacation the Company will designate his vacation time in order to complete the vacation schedule.

Nothing herein will preclude the Company from considering a request for rescheduling a vacation and granting such a request where there are no conflicts and no adverse effect on operations.

Subject to operating requirements and at no added cost to the Company, an employee may take one (1) week of earned vacation one (1) day at a time when the

day of vacation is requested and scheduled as required above and approved by the supervisor.

An employee with more than two (2) weeks of earned vacation is encouraged to take both summer and winter vacations where practicable.

In the event an employee is called for Jury Duty during part or all of his vacation time, he shall receive extra vacation days equivalent to the number of days during his vacation for which he qualifies for Jury Duty.

IX. HOLIDAYS

1. Holidays Observed

The following days shall be recognized as holidays on the day on which they are observed in Massachusetts and/or the Federal Government.

New Year's Day	Columbus Day
Washington's Birthday	Armistice Day
Patriot's Day	Thanksgiving Day
Memorial Day	Floating Holiday
Fourth of July	Christmas Day
Labor Day	Birthday (floating holiday)

2. Holiday Period

It is understood that the holiday shall commence with the third shift on the day preceding the holiday and continue for twenty-four (24) hours.

3. Holiday Eligibility

To be eligible for un-worked holiday pay, the employee, unless otherwise excused in advance, must have worked as scheduled on days preceding and following such holiday.

Employees absent from work because of verified illness or injury (by a physician's statement) will be considered properly excused and eligible for un-worked holiday pay.

4. Holiday Allowance

All regular employees to whom this Agreement applies shall be paid for the above twelve (12) holidays at the regular rate of pay of such employees when the same shall fall within their regularly scheduled workweek and no work is performed. The number of hours in the normal eight (8) hour day at straight time will be allowed and such hours shall accumulate toward weekly overtime.

When any such holiday shall fall outside the regularly scheduled workweek and no work is performed on such holidays, the employee shall be paid a normal day's pay at straight time, but such time shall not accumulate toward weekly overtime.

If a regular employee works on a holiday, he shall receive two (2) times his regular hourly rate of pay for all hours worked within the holiday.

In addition, an employee who works their normally scheduled hours on a holiday may choose the holiday allowance or a day off at his request within one hundred and fifty (150) days following the holiday at a time mutually convenient to the employee and the company.

Should an employee fail to take the day in the required time frame he shall waive the right to the day off and will receive the holiday allowance.

5. Equivalent Time Off

An employee who wishes to take his birthday holiday on a day other than his normal birth date or when an employee wants to take his floating holiday he shall request time off two (2) weeks in advance and the request shall be acknowledged within one (1) week. Such request shall not be refused provided that available manpower is consistent with operating requirement of the department.

X. OPPORTUNITIES FOR ADVANCEMENT AND RECOGNITION

1. Job Posting

When a job is open, it shall be posted on the bulletin board for at least seven (7) days so that employees may have a fair chance to bid for the job. Among several equally qualified and physically fit individuals, the employee having the longest continuous service on the roster concerned shall be promoted first; secondly, whenever applicants for promotion otherwise qualify, in accordance with the standards for the job, the employee having the longest continuous service record

with the Company shall be promoted. All promotions are to be based on the following factors: length of continuous service, training, ability, efficiency, physical fitness and verification of qualifications for the job in question.

The successful bidder shall be designated within seven (7) days following the end of the posting period.

The name of the successful bidder shall be noted on the original posting and the posting shall remain for seven (7) days following such notation.

Copies of postings and notations made shall be sent to the business agent and employees absent from work during the posting period. Length of service will apply not only in case of promotion, but also in case of layoffs and re-employment after layoffs.

The successful applicant awarded a position not in a Related Job Series may be returned to his former job by the Company for a valid reason at any time during the first two (2) months on the job or the successful applicant may be returned to his former job for a valid reason at his own request at any time during the above mentioned two (2) month period.

In the event an employee chooses to return to his or her former job or is returned to his or her former job as a result of unsatisfactory performance, such employee shall be disqualified from further bidding for a period of three (3) months or for three (3) months if he or she is returned by the Company.

New employees may not bid for the first six (6) months of employment and, regardless of length of service, no employee may make a successful job bid more than once every three (3) months.

2. Educational Assistance

The Company shall reimburse regular employees for Educational Assistance according to the Company policy.

XI. EMPLOYMENT SECURITY

I. Seniority

An employee who has at least twelve (12) years of service will not be laid off or receive a reduction in rate of pay of more than two (2) wage grades because of consolidation with another Company, automation or change in operations, or technological changes

An employee who has at least fifteen (15) years of service will not be laid off or receive a reduction in rate of pay.

Employees voluntarily leaving or discharged from the service of the Company forfeit all claim to seniority previously established.

The exception to the above two (2) paragraphs, is that an employee who holds a job in the Operations Job Classifications as defined in Appendix A and has at least five (5) years of service, will not be laid off or receive a reduction in pay of more than two (2) wage grades because of consolidation with another Company, automation or change in operations, or technological changes.

Further, an employee who holds a job in the Operations Job Classification as defined in Appendix A and has at least ten (10) years of service, will not be laid off or receive a reduction in pay of more than two (2) wage grades because of consolidation with another Company, automation or change in operation or technological changes.

The only exception to this shall be for one (1) of the following reasons:

- a. A leave of absence in writing, not to exceed one (1) year, granted by an officer of the Company.
- b. Illness for a period not exceeding two (2) years attested by a physician's certificate.
- c. Service in the Armed Forces of the United States of America.
- d. Employees who are promoted or transferred out of the bargaining unit shall retain classification and unit seniority as of the time of their promotion or transfer for a period of six (6) months.

The above language will not apply to anyone hired after 06/18/96.

2. Severance Allowance

The Company will pay severance allowance to eligible employees as follows:

- a. Regular employees after one year of service shall be given the opportunity to accept a severance allowance of one (1) week's base pay for each full year of continuous service at the time of layoff unless they choose to accept layoff and be eligible for recall.
- b. Severance allowance shall be in addition to any earned vacation benefits for which the separated employee is eligible.

An employee shall not be required to accept severance pay. He shall have an option, effective up to ninety (90) days following the date he receives notice of layoff from the Company, to accept or not to accept severance pay. In case he elects not to accept severance pay, he shall not lose his re-employment rights, but shall retain all re-employment or other privileges which the contract between the Company and the Union or which the practice of the Company provides.

3. Layoffs

- a. If forces are reduced, employees having the shortest length of service with the Company shall be furloughed first providing, however, such employees are capable of being replaced by employees with more seniority who are qualified by fitness and ability to perform the work, before or within 90 days.
- b. If forces are reduced in any classification, an employee who has transferred to the classification from another classification shall be permitted to return to his former classification without loss of seniority in that classification, if qualified by fitness and ability, provided there is work available and provided further he may not replace an employee with more seniority.
- c. An employee on layoff is eligible for recall for one (1) year following his last day worked. The Company shall notify such employee or employees by certified mail sent to his last known address that such work is available and if the employee shall fail to accept re-employment within one (1) week of the receipt of such notice then he shall lose all his seniority rights previously established and continuity of employment shall be forfeited. It shall be the duty of the employee to keep the Company advised in writing of his current address. Any employee accepting re-employment shall report for work

within fourteen (14) calendar days of such acceptance.

XII. PERSONAL SECURITY

1. Maintenance of Earnings

An employee who becomes unable to perform his normal duties because of disability shall be provided an opportunity to perform available work in a lower classification on a seniority basis provided he is able to perform such work.

The level of earnings for such employees shall be maintained as follows:

Service Required	Level of Earnings
Twenty-five Years	Retain wage grade and hold same step in grade reached at time of disability.
Fifteen Years	Reduce by not more than one (1) wage grade to same step in lower grade. Continue any progression schedules.
Ten Years	Reduce by not more than two (2) wage grades to same step in lower grade. Continue any progression schedules.

While an employee is on leave of absence granted because of personal disability or on medical layoff, all benefits provided for the employee and his dependents including pension, life insurance, hospitalization, surgical, major medical, dental, etc., shall be continued for up to a maximum of two (2) years following last day worked by the Company. However, the employee must continue to contribute toward the cost of any benefit plans that require employee contributions during such leave or layoff.

Such provisions to be effective January 1, 2001

This provision for continuing earnings during periods of personal disability is not intended as an annual entitlement to cover absence for any personal reason, but is solely for the protection of a regular employee temporarily and legitimately disabled and under the care of a physician.

Any employee claiming disability benefits may be required to submit to an examination by a physician designated by the Company. Should there be any disagreement between the Company's designated physician and the employee's attending physician, an independent medical examination will be conducted by a third physician, such physician to be mutually acceptable to both parties, who shall make a final and binding determination of the eligibility of the employee for benefits or for continuation of benefits.

An employee whose disability is due directly or indirectly to intoxication or to drugs or narcotics, excluding medication prescribed by a doctor, or to injuries as a result of willful misconduct or horseplay, or to injuries while in the employ of another employer or while working at another job for pay, shall not be entitled to any disability pay or benefits.

2 a. OCCUPATIONAL DISABILITY

Time lost on account of occupational injuries will not be regarded as personal disability. The Company agrees to pay regular employees governed by this Agreement, the difference between their regular pay and the amount received in case of occupational injuries from workers' compensation for a period of thirty (30) weeks. Employees with over five (5) years of service will receive such payment for forty (40) weeks, and employees with over ten (10) years of service will receive such payment for fifty (50) weeks. Employees are required to notify the Company immediately upon receiving payment from Workers' Compensation and must immediately refund the amount received from Workers' Compensation during the above period.

During the life of this Agreement, if any difference shall arise between the employer and the employee as to whether an individual is physically able to return to their regular duties following an occupational injury, such difference of opinion shall be resolved as follows:

The individual shall be examined by a physician appointed for the purpose by the employer and a physician appointed for the purpose by a duly authorized representative of the Union. If the physicians appointed shall disagree concerning whether the individual is physically able to return to their regular duties, they shall submit the question to a third physician who shall be a specialist as to the impairment or disability directly or indirectly attributable to the occupational injury. The medical opinion of the third physician, after examination of the individual and consultation with the other two physicians shall decide the question.

Should the two physicians be unable to agree upon a third physician, as described above, then the matter will be referred to the State's Board or Medical Society for the selection of a third physician who shall be a specialist as above described and shall be Board certified in their specialty. Such physician, so selected, will consider the case and render a decision within two (2) weeks from the date they first review the case. Their decision will be final and binding on all the parties.

The fees and expenses of the physicians shall be paid by the employer.

If the decision finally reached as a result of the above or a decision is reached without resorting to the above, to the effect that an employee is unable to perform their regular duties, the company shall assign such employee to a position which, in the opinion of the Company, the employee is capable of performing.

Employees who have recovered from an occupational injury and are medically certified (subject to review and appeal to a third doctor as stated above) by the insurance company's doctor as qualified for work will be guaranteed employment with the Company. However, the employment rights of an employee as provided in this collective bargaining agreement shall not be enlarged, diminished or otherwise affected by reason of this provision.

b. NON-OCCUPATIONAL DISABILITY

Bargaining unit employees will be granted ten (10) sick days for use during each calendar year. Sick days may not be carried over into another year. Sick days are divided into two categories, scheduled and unscheduled. However, any combination of sick days cannot exceed ten (10) sick days in any calendar year.

Unscheduled sick days may only be utilized in emergency situations when personal illness does not allow an employee to report to work. Employees are expected to call in on each sick day they are absent from work. Employees should notify their supervisor as soon as they know they are ill and unable to report to work.

Scheduled sick days are limited three (3) days per calendar year and may be utilized for:

- a. Health-care provider appointments for employees;
- b. Health care provider appointments for immediate family members which require the presence of the employee, as allowed and defined by the Family and Medical Leave Act.

c. To care for an immediate family member, as allowed and defined by the Family and Medical Leave Act.

All sick days are granted at the discretion of the supervisor. All requests for scheduled sick days must be approved one (1) week in advance, when possible, by an employee's supervisor.

The Company shall provide short-term disability (STD) benefits for all regular full-time employees. Short term disability insurance begins after five (5) consecutive workdays lost from work due to sickness or injury and is paid at a rate equal to 100% of base pay up to a maximum of 26 weeks.

3. LONG TERM DISABILITY

The Company shall provide Long Term Disability (LTD) protection covering all regular full-time employees after one (1) year of service. The LTD benefit will pay a benefit of sixty-five percent (65%) of straight time weekly earnings, or a combined benefit of seventy percent (70%) when added to the amount of any other income benefits available to the employee. for the period beginning six (6) months after the date disability commences under the conditions and in accordance with the plan document. Monthly benefit payments will not be reduced by future cost of living increases to social security benefits.

Long term disability benefits will not be paid beyond twelve (12) months unless the employee has applied for and continues to apply for or receives Social Security Disability Benefits.

Employees are required to notify the Company immediately upon being granted Social Security Disability Benefits and must immediately refund to the Company any overpayment(s) of long term disability benefits.

4. HOSPITAL - SURGICAL - MEDICAL BENEFITS

All regular full-time employees shall have the option once each year to elect one of the following medical options to be effective on January 1st of the next plan year. Employees may cover unmarried dependent children to age 19, or age 23 if a full-time student under options (a) or (b) below. Coverage may continue to age 45 if the child is physically or mentally handicapped in accordance with the plan document. New employees become eligible for coverage for the options below on the first day of the month following thirty (30) days of employment with the Company.

In accordance with State Insurance Regulations and the Employee Retirement Income Security Act, 1976, as amended, (ERISA), ex-spouses of employees will be permitted to participate in the Company medical and dental insurance programs in accordance with any duly entered divorce decree from a court of competent jurisdiction in such matters. However, the party to the court action ordered to provide such coverage will be responsible for payment of any additional insurance premium.

The Company reserves the right to change a carrier or carriers for any of the insurance programs provided for in this agreement. However, should the Company change a carrier or carriers, the provisions of the insurance plans(s) being provided by the new carrier will be, for all intents and purposes, substantially equivalent to the plan provided by the prior carrier.

The Company will offer employees the choice of family medical coverage, employee plus one medical coverage, or single medical coverage.

- a. A preferred Provider Plan (PPO) or a Point of Service Plan (POS).
- b. A regional HMO.
- c. No Coverage - An employee who is not covered under an individual, family or any other health care plan under (a) or (b) above, will receive \$1,650.00 for each full year that the employee has no Company provided health insurance coverage. However, the employee is required to demonstrate proof of coverage under another health insurance program. This payment is made in January of the year following the year in which coverage was not utilized by the employee.
- d. The employee offset rate (contribution) for medical coverage will be twenty percent (20%) of the total monthly medical premium for the plan selected by the employee. These employee contributions are to be made through payroll deductions and are deducted on a pre-tax basis.

5. DENTAL COVERAGE

This coverage provides for payment of incurred covered dental expenses subject to a calendar year deductible of twenty-five dollars (\$25.00) per person for basic and major services for all regular full-time employees.

The dental plan will pay eighty percent (80%) of basic and fifty percent (50%) of the cost of major services as defined in the plan document. Payment for incurred covered dental expenses will be based on reasonable and customary charges for a

specific geographic location, as determined by the dental insurance carrier, subject to a maximum of one-thousand dollars (\$1,000.00) for each calendar year, such amount to be applied separately to each insured member.

Orthodontic services for qualified dependent children are covered on the basis of fifty percent (50%) of covered charges with a maximum of one-thousand dollars \$1,000.00) for each child.

The employee offset rate (contribution) for dental coverage will be twenty percent (20%) of the total monthly premium for the plan selected by the employee. These contributions are made through payroll deduction and are on a pre-tax basis.

6. LIFE INSURANCE

The Company shall make available to regular full-time employees group life insurance subject to the terms and conditions of the Master Policy in effect with the insurance carrier.

Each regular full-time employee shall be provided life insurance by the Company in an amount equal to two (2) times their base pay.

The amount of life insurance in effect at the time an employee reaches age 65 will be reduced by 35% on their 65th birthday.

The amount of life insurance available to an employee who retires and receives a pension under the Company's Pension Plan described in Section 8 of this Article will be Five-thousand Dollars (\$5,000.00)

7. ACCIDENTAL DEATH AND DISMEMBERMENT

The Company will make available to regular full-time employees accidental death and dismemberment insurance subject to the terms and conditions of the Master Policy with the insurance carrier. The amount of accidental death and dismemberment insurance an employee is eligible for is two (2) times their base pay.

8. PENSION

Pension plans, as defined in the plan document for the Pension Plan for Operating Employees of Bay State Gas Company, as agreed upon between the Company and the Union, shall continue for the life of this Agreement and succeeding

agreements, subject to such modifications as may be mutually agreed upon by the parties hereto.

All covered employees, in accordance with the plan document, who take normal retirement during the term of this Agreement shall receive a pension benefit as stipulated below:

Effective July 1, 2000, the pension plan formula shall be a final average pay formula. The final average pay pension benefit shall be calculated using an average of the Highest three (3) years base pay in the last ten (10) years up to a maximum of Fifty-one thousand dollars (\$51,000) using a multiplier of one and one quarter percent (1.25%) of such final average pay times the years of service up to a maximum of forty-five (45) years.

An employee is vested after five (5) years of service. For vested employees there is a lump-sum option to cash out of the pension plan available at any time when the employee terminates for any reason.

9. EARLY RETIREMENT

Employees who have attained age 55 and who have completed ten (10) or more years of Credited Service as defined in the plan document for the Pension Plan for Operating Employees of Bay State Gas Company, may retire on the first of any month thereafter.

An employee will be entitled to receive an unreduced retirement benefit at age 60 if the employee has at least 25 years of service with the Company. In the event an employee decides to retire prior to age 60, the retirement benefit would be calculated as follows:

(a) If the employee has 25 or more years of service with the Company, the retirement benefit would be reduced by 3/10% for each calendar month between the date the employee actually begins to receive the retirement benefit and age 60.

(b) If the employee has less than 25 years of service, the retirement benefit would be reduced by 3/10% for each calendar month between the date the employee actually begins to receive the retirement benefit and age 65.

There is a Social Security supplement (bridge) for employees who retire between the ages of sixty (60) and sixty-two (62), payable during that period.

10. SAVINGS PLAN

(a.) As of June 19, 2000, in accordance with the plan document, for employees eligible to participate the 401(k) plan, the Company will contribute to a 401(k) account in their names an amount equal to a fifty percent (50%) match of the first five percent (5%) of an employees contribution to the plan.

(b.) In exchange for this benefit, the Union and the Company agree that post retiree medical benefits (i.e., health care and prescription drug coverage) will no longer be provided for employees who are not at least age 45 by the last day of 1993. Employees age 45 or older as of the last day of 1993, may make a one time election of either Post Retiree Medical Coverage or select participation in the 401K plan.

All provisions of the savings plan are administered in accordance with the plan document including, but not limited to eligibility, investment options and loan provisions.

(c.) Benefits Continued After Retirement

1. An employee under the age of 45 as of December 31, 1993, will not be provided medical coverage by the Company when they retire. In exchange for this benefit, the Company will make special contributions to a 401(k) Employee Savings Plan Account in the employees name, even if they are not currently contributing to the plan. If an employee does participate, the Company will still make the special contribution to their account.
2. If an employee is over the age of 45 as of January 1, 1994 and they continue to work for the Company until retirement, they will continue to be eligible for our medical benefits at retirement. However, these employees have the opportunity to choose between the special Savings Plan contributions discussed in section 5 of this Article.

The amount of life insurance in effect at the time an employee reaches age sixty-five (65) and continues to work for the Company will be reduced by thirty-five percent (35%) on the first of the month following his sixty-fifth (65) birthday.

The maximum amount of life insurance provided an employee who retires and receives a pension under the Company Pension Plan is five thousand dollars (\$5,000).

11. SUBROGATED RIGHTS

Payments made under the provisions of this Article will be reimbursed to the Company to the extent that any amounts recovered on account of the accident or sickness on a claim against a third party or exceed Worker's Compensation or any other payments required by law.

12. LIMITATIONS

Any employee whose sickness or disability is due directly or indirectly to intoxication, or to the use of intoxicants or to drugs or narcotics, shall not be entitled to any sick benefits after an initial warning and ignoring a commitment to rehabilitation. The Brotherhood shall be notified before initial warning.

13. DUPLICATION

Amounts required to be paid by the Company under any law providing benefits similar to the benefits provided for in this Article shall reduce to that extent the amounts the Company shall be required to pay under this Article and appropriate adjustments shall be made in the benefits provided for in this Article to the end of eliminating duplication of benefits under this Article and benefits required by law.

The Company may, at its discretion, withhold payment of wages or salary during periods of disability from employees who engage in work other than for the Company or its affiliates.

14. MEDICAL RECORDS

In accordance with existing laws, the Union must have a release form signed by the Employee before the Company will discuss or release any medical information pertaining to or about any employee.

XIII. BROTHERHOOD-MANAGEMENT COMMITTEES

1. Safety Committee

There shall be a committee of two (2) Brotherhood members who will meet at such time and place as meetings are scheduled to discuss matters pertaining to safety.

XIV. COMPLAINTS AND GRIEVANCES

1. Grievance Procedure

- a. The Company and the Brotherhood may meet on call by either party at a time mutually agreed upon, as required, to discuss differences arising out of this Agreement.
- b. During the term of this Agreement, should there be any difference between the Company and the Brotherhood as to the true interpretation and application of this Agreement, there shall be no suspension of work, but the same shall be treated as a grievance and every reasonable effort shall be made to settle such grievance in the following manner:
 1. The aggrieved employee or employees and his or their steward shall discuss the grievance with the immediate supervisor and attempt to settle the grievance. If a satisfactory settlement is not reached with five (5) working days, then
 2. Within five (5) working days of the time that the grievance was answered at Step 1, the Brotherhood shall reduce the grievance to writing and forward the written grievance to the Department Manager or his designee with a copy to the Manager, Employee Relations. The Company shall reply in writing within five (5) working days and if a satisfactory settlement is not reached, then
 3. Within five (5) working days of the receipt of the written reply, the grievance shall be referred for settlement to the Process Leader and the Manager, Employee Relations of the Company and the Business Agent of Local Union No.326, or their designee. A representative of the International Brotherhood may assist the Local as requested. The Brotherhood shall have ten (10) working days to resolve the grievance. If the grievance is not resolved at this step in a manner satisfactory to both parties, then the grievance or dispute shall be submitted to mediation in the manner provided under this Article. The party desiring mediation must notify the Labor Relations Connection within thirty (30) calendar days of the expiration of the aforementioned ten (10) day period
 4. Within thirty (30) calendar days of the request for mediation, the Labor Relations Connection on behalf of the requesting party will schedule a mediation conference. The mediation conference will normally be held

at a neutral site at the earliest available date of a member of the pre-selected mediation panel.

Each party will have one principal spokesperson. The spokesperson will be a member of the Management team and either a Local 326 officer or a representative from the International Union. Attorneys will not represent either party. Proceedings before the Mediator shall be informal and without formal evidence rules. The Mediator may meet separately with any party and also require necessary facts in order to assure the conference is fair.

The Company and Union spokesperson may accept a resolution proposed by the Mediator and such settlement or any other settlement resulting from the conference shall not be precedent setting unless both parties agree. If no settlement is reached, the Mediator shall provide the parties with an immediate oral advisory opinion and the grounds from which the opinion was reached. Either side may subsequently discuss the opinion and grounds with the Mediator for purpose of clarification. Nothing said or done by the Mediator or settlement proposals by either party during the mediation conference may be referred to at an arbitration hearing.

If no settlement is reached at the mediation conference, the grievance may be scheduled for arbitration in accordance with section two (2) of this article.

The parties agree to share equally the costs associated with mediation.

Time limits shall be observed as set forth in the grievance procedure, exceptions may be made by mutual agreement.

2. Discharge Review

If an employee is discharged, the Brotherhood shall be notified and the Company will furnish him, upon request made within three (3) days from the date of his discharge, the reason for this discharge, and thereafter, upon his request for a hearing made within (3) days after he has been furnished with a reason for his discharge as above the Company will grant a hearing to such employee at which hearing the employee may be present with his representatives. If, as a result of such hearing, it is found that the employee was unjustly discharged, he shall be reinstated and shall be paid for any time lost as may be determined at the hearing.

3. Arbitration

If a grievance involving the interpretation or application of this Agreement is not satisfactorily resolved in the grievance procedure, the aggrieved party may request that the matter be referred to the American Arbitration Association for appointment of an arbitrator under its rules to arbitrate grievances. The arbitrator shall have no power to add to, subtract from or otherwise modify the terms of this Agreement. The decision of the arbitrator shall be final and binding on both parties and shall have the same force and effect as a judgment of law. His fee and expense shall be shared equally by the parties.

XV. AGREEMENT

1. Duration

The parties agree to extend the current Agreement, modified only by the changes resulting from these negotiations and shown above, to expire June 18, 2005.

2. Scope and Waiver of Conditions

This Document constitutes the entire agreement between the Company and the Brotherhood arrived at as a result of collective bargaining negotiations, except such amendments hereto as shall have been reduced to writing and signed by both the Company and the Brotherhood.

The waiver of any breach of this Agreement or a liberal interpretation beyond the stipulation of this Agreement, accepted by either party, shall not constitute a precedent with regard to the future enforcement of all terms and conditions herein.

3. Continuation


The Agreement shall automatically renew itself from year to year after June 18, 2005 unless either party gives to the other written notice of a desire to terminate or amend the Agreement and unless such written notice is delivered to the other party at least sixty (60) days before the expiration of such annual period. The notice should be accompanied by a statement of changes desired. It is agreed that in such case, the parties will confer at least thirty (30) days before expiration of such annual period. During negotiations for amendments, or for a new agreement, this Agreement shall remain in full force and effect.

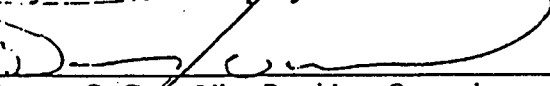
4. Assignment

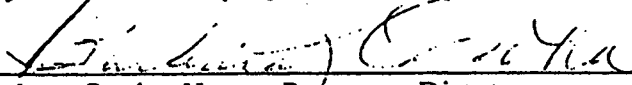
This Agreement shall be binding upon the parties hereto and their successors.

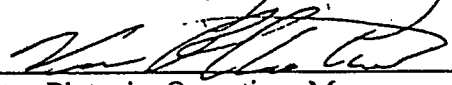
IN WITNESS WHEREOF, the parties hereunto, set their hands and seals
the day and year first above written.

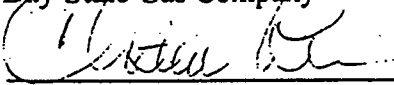
BAY STATE GAS COMPANY, LAWRENCE DIVISION

BY 
John Hutton, Senior Director, Human Resources and Labor Relations (Chief Spokesperson)
Bay State Gas Company

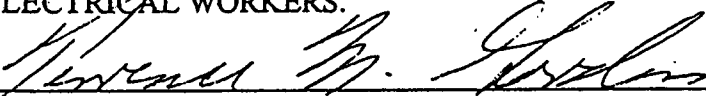
BY 
Danny G. Cote, Vice President Operations
Bay State Gas Company


BY 
Barbara Opoka, Human Resources Director
Bay State Gas Company

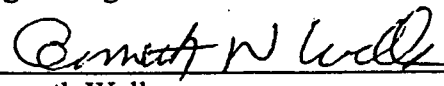
BY 
Victor Platania, Operations Manager
Bay State Gas Company

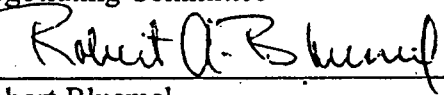
BY 
Christine Liebke, Human Resources Manager
Bay State Gas Company

FOR THE EMPLOYEES OF THE BAY STATE GAS COMPANY
LAWRENCE DIVISION
LOCAL 326 OF THE INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS.

BY 
Terrence M. Gordon
Business Manager

BY 
Joseph Fitzpatrick
Negotiating Committee

BY 
Kenneth Wells
Negotiating Committee

BY 
Robert Bluemel
Negotiating Committee

APPENDIX A

OPERATIONS JOB CLASSIFICATIONS
AND WAGE GRADES

GRADE 1

None

GRADE 2

Paving Crew Laborer

GRADE 3

Maintenance Assistant

Meter Reader

GRADE 4

Distribution Operator C
Meter Reader/Collector

GRADE 5

Production Operator Mechanic C/Unloader
Service Technician C
Service Technician C/Non-Progression

GRADE 6

Collector

Distribution Operator B
Metscan Installer
Production Operator Mechanic C/Electrician
Storekeeper

GRADE 7

LNG Operator/Regulator Assistant
Pipefitter - Service
Production Operator Mechanic B
Service Technician B

GRADE 8

Cut-Off Crew Operator, Lead
Distribution Operator A
Lead Metscan Installer
Production Operator Mechanic B/Electrician
Paving Crew Operator, Lead

GRADE 9

Distribution Operator, Lead
Production Operator Mechanic A
Service Technician A

GRADE 10

Production Operator Mechanic A/Electrician
Service Technician, Lead
Working Foreman - Distribution
Working Foreman - Gas Operations

APPENDIX B
BAY STATE GAS COMPANY
LAWRENCE DIVISION
OPERATING WAGE SCHEDULE

Effective June 18, 2000

GRADE	MINIMUM ENTRY RATE	6 MONTHS	12 MONTHS	18 MONTHS	MAXIMUM 24 MONTHS
1	10.26	11.42	12.57	13.78	14.91
2	11.00	12.12	13.39	14.53	15.74
3	11.75	12.90	14.12	15.31	16.53
4	12.63	13.82	15.22	16.29	17.53
5	13.53	14.76	15.99	17.22	18.52
6	14.60	15.87	17.17	18.43	19.65
7	15.72	16.96	18.21	19.55	20.86
8	16.84	18.11	19.42	20.71	22.03
9	18.45	19.76	21.05	22.47	23.77
10	19.89	21.24	22.59	24.00	25.42

Effective June 17, 2001

GRADE	MINIMUM ENTRY RATE	6 MONTHS	12 MONTHS	18 MONTHS	MAXIMUM 24 MONTHS
1	10.52	11.70	12.88	14.12	15.29
2	11.27	12.42	13.72	14.90	16.14
3	12.04	13.23	14.48	15.70	16.95
4	12.94	14.16	15.60	16.69	17.97
5	13.87	14.76	16.39	17.65	18.98
6	14.96	16.26	17.60	18.89	20.14
7	16.12	17.39	18.67	20.04	21.38
8	17.26	18.56	19.91	21.22	22.58
9	18.91	20.26	21.58	23.03	24.36
10	20.39	21.77	23.16	24.60	26.06

Effective June 16, 2002

GRADE	MINIMUM ENTRY RATE	6 MONTHS	12 MONTHS	18 MONTHS	MAXIMUM 24 MONTHS
1	10.78	12.00	13.20	14.47	15.67
2	11.56	12.73	14.06	15.27	16.54
3	12.34	13.56	14.84	16.09	17.37
4	13.27	14.52	15.99	17.11	18.41
5	14.21	15.13	16.80	18.09	19.46
6	15.33	16.67	18.04	19.36	20.64
7	16.52	17.82	19.14	20.54	21.91
8	17.69	19.03	20.41	21.75	23.14
9	19.38	20.76	22.12	23.61	24.97
10	20.90	21.77	23.73	25.21	26.71

Effective June 15, 2003

GRADE	MINIMUM ENTRY RATE	6 MONTHS	12 MONTHS	18 MONTHS	MAXIMUM 24 MONTHS
1	11.05	12.30	13.53	14.84	16.06
2	11.84	13.05	14.42	15.65	16.95
3	12.65	13.90	15.21	16.49	17.80
4	13.60	14.88	16.39	17.54	18.88
5	14.57	15.51	17.22	18.54	19.95
6	15.72	17.09	18.49	19.85	21.16
7	16.93	18.27	19.61	21.05	22.46
8	18.14	19.50	20.92	22.30	23.72
9	19.87	21.28	22.67	24.20	25.60
10	21.43	22.31	24.33	25.84	27.37

Effective June 20, 2004

GRADE	MINIMUM ENTRY RATE	6 MONTHS	12 MONTHS	18 MONTHS	MAXIMUM 24 MONTHS
1	11.33	12.60	13.87	15.21	16.46
2	12.14	13.37	14.78	16.04	17.38
3	12.97	14.24	15.59	16.90	18.25
4	13.94	15.25	16.80	17.98	19.35
5	14.93	15.89	17.65	19.01	20.44
6	16.11	17.51	18.95	20.34	21.69
7	17.36	18.72	20.11	21.58	23.02
8	18.59	19.99	21.44	22.85	24.31
9	20.37	21.81	23.24	24.80	26.24
10	21.96	22.87	24.94	26.49	28.06

APPENDIX C
BAY STATE GAS COMPANY
LAWRENCE DIVISION
WAGE PROGRESSION FOR OPERATING EMPLOYEES
RELATED JOB SERIES

Classification Grade	Steps	6/18/00	6/17/01	6/16/02	6/15/03	6/20/04
Distribution Operator	C	12.63	12.94	13.27	13.60	13.94
	B	14.98	15.35	15.73	16.13	16.53
	B	17.33	17.77	18.21	18.67	19.13
	A	19.68	20.17	20.68	21.19	21.72
	A	22.03	22.58	23.14	23.72	24.31
Service Technician	C	13.53	13.87	14.21	14.57	14.93
	B	15.58	15.97	16.37	16.78	17.20
	B	17.63	18.07	18.52	18.99	19.46
	A	19.67	20.16	20.67	21.18	21.71
	A	21.72	22.26	22.82	23.39	23.97
	A	23.77	24.36	24.97	25.60	26.24
Production Op/ Electrician	C	14.60	14.96	15.33	15.72	16.11
	C	16.40	16.81	17.23	17.66	18.10
	B	18.20	18.66	19.13	19.60	20.09
	B	20.01	20.51	21.02	21.55	22.09
	A	21.81	22.36	22.92	23.49	24.08
	A	23.62	24.21	24.81	25.43	26.07
	A	25.42	26.06	26.71	27.37	28.06

Classification
Grade

Steps 6/18/00 6/17/01 6/16/02 6/15/03 6/20/04

Customer/Credit
Representative

15	12.12	12.42	12.73	13.05	13.37
15	13.47	13.81	14.15	14.50	14.87
15	14.82	15.19	15.57	15.96	16.36
15	16.16	16.57	16.98	17.41	17.84
14	17.52	17.96	18.40	18.86	19.34

APPENDIX D .

BAY STATE GAS COMPANY LAWRENCE DIVISION OPERATING CLASSIFICATION RELATIONSHIPS BY GRADE AND FUNCTION RELATED JOB SERIES

Grade	Gas Operations	Distribution	Gas Service	Stores	Customer Relations
1					
2		Paving Crew/ Laborer			
3				Maintenance Assistant	Meter Reader
4		Distribution Operator C			Meter Reader/ Collector
5	Prod. Op. Mech C/ Unloader		Service Tech C NP & Progression		
6	Prod. Operator Mechanic C Electrician	Distribution Operator B	Metscan Installer	Storekeeper	Collector
7	LNG Oper/Reg Assistant Prod. Op. Mech B		Pipefitter Service Tech B		
8	Prod. Operator Mechanic B/ Electrician	Cut-off Crew Opr. Lead Distribution Operator A	Lead Metscan Installer		
9	Prod. Op. Mechanic A	Distribution Operator Lead	Service Tech A		
10	Production Op. Mechanic A/Elect. Working Foreman	Working Foreman	Service Tech, Lead		

APPENDIX E

ATTENDANCE IMPROVEMENT PROGRAM BAY STATE GAS COMPANY LAWRENCE DIVISION

Attendance

The efficient operation of the Company requires that employees consistently maintain satisfactory attendance and punctuality.

The most important single rule employees should remember is that they must notify their supervisor as soon as they know they will be late, absent or have to leave work early. Notice does not excuse the absence. It does, however, permit the supervisor to schedule work around the absence and will be considered a less serious infraction than absence without notice.

Attendance records are evaluated on three (3) criteria. They are days absent from work, leaving work early and lateness.

All days taken out of work, including excused and unexcused absences, are used in determining total days out of work. However, excluded from this total are days on approved leave of absence, jury duty, union business, bereavement, vacation and holidays.

Leaving work early occurs whenever an employee leaves work at any time before the end of his or her shift.

Lateness is whenever an employee reports for work at any time after the employee's scheduled starting time, be it regular or overtime hours. In other words, there is no grace period for lateness.

In determining "excessive" absenteeism, all instances of the three items listed above (days absent from work, leaving work early and lateness) are added together. If the total number exceeds ten percent (10%) of the total work days for that employee in a any three (3) month period, or the casual days out of work standing alone exceed five percent (5%) of the total work days in the period for that employee, that is considered excessive absenteeism under these guidelines.

Under this program, when an employee's record indicates excessive absenteeism in accordance with the guidelines above, the goal of the Company is to restore that employee's attendance to a satisfactory level. The company will implement a plan

of progressive discipline, as outlined below, to ensure the successful attainment of this goal.

Consultation

The Company recognizes that typically, excessive absenteeism is a symptom of a personal problem the employee is experiencing which is affecting that employee's attendance. The supervisor will consult with the employee and help will be offered. The Employee Assistance Program (EAP) is available free of charge to assist employees with personal, marital, financial, substance abuse or other problems which affect the employee's attendance at work.

Verbal Warning

If an employee's attendance record continues to be unsatisfactory after a three (3) month period of time following the consultation, the employee will be warned that formal written discipline will follow unless that employee's attendance shows an immediate, substantial and sustained improvement. The employee will be made aware once again of the Employee Assistance Program and urged to take advantage of it if necessary.

Written Warning

If, after a verbal warning, an employee's attendance record continues to be unsatisfactory after a three (3) month period of time, or if the employee's absence record exceeds the five percent (5%) or ten percent (10%) standards described above before the three (3) month period has elapsed, he or she will be given a written warning. The employee will be warned that further disciplinary action up to and including termination of employment will follow unless attendance shows immediate, substantial and sustained improvement. The employee will once again be made aware of the Employee Assistance Program and urged to take advantage of it if necessary.

Suspension (1) Day

If, after the written warning, the employee's attendance record continues to be unsatisfactory after a three (3) month period of time, or if the employee's absence record exceeds the five percent (5%) or ten percent (10 %) standards described above before the three (3) month period has elapsed, he or she will be given a one (1) day unpaid suspension. The employee will be warned that discharge will follow in the absence of immediate, substantial and sustained improvement. The

employee will once again be made aware of the Employee Assistance Program and urged to take advantage of it if necessary.

Suspension (3) Day

If, after the one (1) day suspension, the employee's attendance record continues to be unsatisfactory after a three (3) month period of time, or if the employee's absence record exceeds the five percent (5%) or ten percent (10%) standards described above before the three (3) month period has elapsed, he or she will be given a three (3) day unpaid suspension. The employee will be warned that discharge will follow in the absence of immediate, substantial and sustained improvement. The employee will once again be made aware of the Employee Assistance Program and urged to take advantage of it if necessary.

Termination of Employment

If after the three (3) day unpaid disciplinary suspension, an employee's attendance record continues to be unsatisfactory, based on a monthly review of the five percent (5%) and ten percent (10%) criteria described above, such employee will be terminated.

Job Abandonment

Any employee who fails to report to work and fails to provide notice of such absence for a period of three (3) consecutive work days shall be considered to have voluntarily abandoned his or her position. In addition, if an employee fails to return to work after the expiration of a leave-of-absence, that employee will be considered to have voluntarily abandoned his or her position.

ISSUANCE AND EXPIRATION OF ATTENDANCE WARNING AND SUSPENSION NOTICES

Verbal warnings, written warnings and suspensions issued in accordance with the Company's attendance improvement program will become inactive one (1) year from the date of the violation provided there is no intervening discipline during the elimination period. Any intervening discipline during the elimination period keeps all prior discipline active until expiration of the last warning or suspension notice.

BAY STATE GAS COMPANY MEDICAL AND PERSONAL LEAVE OF ABSENCE POLICY

1. Purpose

The purpose of this policy is to specify medical and personal leave-of-absence provisions which employees may be entitled to based on their length of continuous service with the Company. Medical leaves are available in accordance with this policy for the employee's own serious health condition which renders the employee unable to perform the essential functions of his or her job.

2. Scope

This policy extends to IBEW, Local 326

3. Policy & Practice

Employees who have completed ninety (90) days of employment but who have less than two (2) years of service may be granted a medical leave-of-absence with additional extensions, if necessary, which will be limited to one (1) month of medical leave time for each month of service but not to exceed six (6) months, whichever is the lesser,

Employees with two (2) or more years of service but less than five (5) years of service, may be granted a medical leave with additional extensions, if necessary, of up to nine (9) total months.

Employees with five (5) or more years of service may be granted a medical leave with additional extensions, if necessary, of up to twelve (12) total months.

Employees who are absent from work because of personal or work related injury or illness for more than five (5) consecutive work days must apply for a medical leave-of-absence for all days out of work after the fifth consecutive work day of absence.

Employees who have used medical leave time in accordance with this policy, will restore such time used by receiving one (1) month of restoration credit for each month of work following the end of that employee's medical leave-of-absence, up to the maximum credit allowed based on the employees service with the company as described above.

Additionally, medical leaves which fall under the jurisdiction of this policy may also qualify under the Federal Family and Medical Leave Act. When such is the case, time used under this policy will run concurrently with any FMLA leave time which is available. A separate policy exists for leaves which may qualify under FMLA.

During medical leaves under the Bay State Gas medical leave policy, employees are responsible for contributions to all benefit plans as if actively at work. If an employee fails to return to work for reasons other than for a substantiated continued health condition or circumstances beyond their control, the employee may be required to repay Bay State Gas Company for all health premiums paid on the employees behalf during the leave.

Employees who qualify for medical leave under this policy, upon their return to work will be restored to the same or an equivalent position after the leave, except in certain cases where the person has been designated as a "key employee" or where the employment would not have continued had the employee not been on leave. Employees returning from leave may be required to supply a "fitness for duty" release from their attending physician if the leave was for their own health condition.

Employees on medical leave of absence are considered unable to perform essential job functions, and as such are not allowed to perform work outside of the Bay State Gas Company workplace during an approved leave.

The Company may require employees requesting medical leave or returning to work from medical leave to be examined by a physician designated by the Company. Any such examinations will be paid for by the Company.

4. Procedure

Employees applying for a medical leave-of-absence must be under the direct care of a physician and must submit medical certification directly to the Bay State Gas Company Human Resources Department at their location. Employees may be required to undergo a periodic medical examination by a physician designated by Bay State Gas Company in order to ascertain the employee's condition.

For medical leaves, the Company will require medical certification for an employees own serious health condition prior to the start of the leave unless the condition requiring medical leave is unforeseeable in which case such medical

certification must be provided within fifteen (15) days of the request for leave, as soon as practicable. Upon proper submission of medical documentation in support of a medical leave request, employees will be placed on medical leave in accordance with the attending physicians instructions. Employees will be advised in writing (see appendix A) of their status including the beginning and ending dates of their medical leave and the procedures for returning to work or extending their medical leave

Medical leaves of absence which qualify under this policy may be covered by certain insurance programs such as short-term-disability (STD), long-term-disability (LTD), workers' compensation or disability pension. When it is not covered by one of these insurance programs, leaves will be unpaid. However, unused vacation time must be used prior to going on leave without pay.

Personal Leave-of-Absence

A personal leave-of-absence without pay for a period normally not to exceed sixty (60) days may be granted by the Company for urgent personal reasons to employees with at least six (6) months of continuous employment. Requests for personal leave-of-absence must be made in writing to the employee's supervisor and the unit's senior human resources officer. Each request will be decided on its own merit at the sole discretion of the Company.

Length of Service

Length of continuous service for the purpose of this policy shall be computed from the original date of hire.

Length of continuous service will be broken by the following:

- Absence from work for more than three (3) consecutive days without notice to the Company;
- Voluntary termination or resignation by the employee;
- Discharge for cause'

Failure to return to work upon the expiration of an approved leave-of-absence or the extension of an approved leave-of-absence.

APPENDIX F
CLERICAL TECHNICAL JOB CLASSIFICATIONS
AND WAGE GRADES

GRADE 18	Metscan Clerk Service Clerk
GRADE 17	Data Entry Clerk Meter Inventory Clerk Switchboard Oper/Cashier/Receptionist
GRADE 16	Stores Clerk
GRADE 15	Customer/Credit Representative
GRADE 14	Customer/Credit Representative

APPENDIX G

BAY STATE GAS COMPANY LAWRENCE DIVISION CLERICAL TECHNICAL WAGE SCHEDULE

EFFECTIVE JUNE 19, 2000

GRADE	MINIMUM ENTRY RATE	6 MONTHS	12 MONTHS	18 MONTHS	MAXIMUM 24 MONTHS
18	9.37	10.11	10.92	11.83	12.85
17	10.43	11.23	12.10	13.04	14.12
16	11.20	12.04	12.97	13.95	15.11
15	12.12	13.02	14.00	15.06	16.28
14	13.11	14.06	15.11	16.26	17.52

EFFECTIVE JUNE 17, 2001

GRADE	MINIMUM ENTRY RATE	6 MONTHS	12 MONTHS	18 MONTHS	MAXIMUM 24 MONTHS
18	9.60	10.36	11.19	12.12	13.17
17	10.70	11.51	12.40	13.70	14.48
16	11.48	12.34	13.29	14.30	15.49
15	12.42	13.34	14.35	15.43	16.68
14	13.44	14.41	15.49	16.66	17.96

EFFECTIVE JUNE 16, 2002					
GRADE	MINIMUM ENTRY RATE	6 MONTHS	12 MONTHS	18 MONTHS	MAXIMUM 24 MONTHS
18	9.84	10.62	11.47	12.43	13.50
17	10.96	11.80	12.71	14.04	14.84
16	11.77	12.65	13.62	14.66	15.87
15	12.73	13.68	14.71	15.82	17.10
14	13.77	14.77	15.87	17.08	18.40

EFFECTIVE JUNE 15, 2003					
GRADE	MINIMUM ENTRY RATE	6 MONTHS	12 MONTHS	18 MONTHS	MAXIMUM 24 MONTHS
18	10.09	10.88	11.76	12.74	13.84
17	11.24	12.10	13.02	14.39	15.21
16	12.06	12.97	13.96	15.02	16.27
15	13.05	14.02	15.08	16.22	17.53
14	14.12	15.14	16.27	17.51	18.86

EFFECTIVE JUNE 20, 2004					
GRADE	MINIMUM ENTRY RATE	6 MONTHS	12 MONTHS	18 MONTHS	MAXIMUM 24 MONTHS
18	10.34	11.16	12.05	13.06	14.19
17	11.52	12.40	13.35	14.75	15.59
16	12.37	13.29	14.31	15.40	16.68
15	13.37	14.37	15.46	16.62	17.97
14	14.47	15.52	16.68	17.94	19.34

APPENDIX G-1

GRADE	Grade	6/18/00	6/17/01	6/16/02	6/15/03	6/20/04
15	ENTRY	12.12	12.42	12.73	13.05	13.37
15	6 MONTHS	13.47	13.81	14.15	14.50	14.87
15	12 MONTHS	14.82	15.19	15.57	15.96	16.36
15	18 MONTHS	16.16	16.57	16.98	17.41	17.84
14	24 MONTHS	17.52	17.96	18.40	18.86	19.34

SUPPLEMENTAL AGREEMENT

RED CIRCLE

During the recent negotiations, the restructuring of the classifications and wage rates caused certain employees to be paid above the rate for the labor grade in which the employee was classified.

Due to this restructuring and the employees being paid a higher rate, it is agreed between the parties that these employees shall be considered "red circled". The employees so affected shall retain their differential in rate above the maximum of the range in which they are classified but will only receive one-half (1/2) of the future rate increase as would be applicable the maximum of the range in which they are classified at the time of the general wage increases (or such lesser amount as necessary) until such "red circle" is eliminated.

Such employee who, pursuant to a job transfer request or a job bid is placed in a different job classification, shall no longer be eligible for said "red circle" rate.

Jack C. Cicero Date
Business Manager
I.B.E.W.-Local 326

Philip Kallaughner Date
Manager, Labor Relations

SUPPLEMENTAL AGREEMENT

JOB BIDDING FOR RED CIRCLED EMPLOYEES

If an employee who is "red circled" bids for and is awarded a job in a Related Job Series, his rate shall be his present rate, but shall not exceed one step below the job rate maximum and he shall remain at this rate until the required time has been served to earn the step in the classification and then shall progress, as qualified, from grade to grade as scheduled, provided performance and periodic examination verifies continued eligibility.

For the purpose of clarification Company Seniority will apply for the above mentioned "red circled" employees.

Jack C. Cicero Date
Business Manager
I.B.E.W.-Local 326

Philip Kallaughner Date
Manager, Labor Relations

SUPPLEMENTAL AGREEMENT
PENSION

Exhibit BSG/SAB-2 (F)
D.T.E. 05-27
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As long as an employee remains "red circled", due to the Job Reevaluation Program of July 1, 1987, he will maintain his old wage grade for his pension benefit until such time as he is no longer "red circled".

Jack C. Cicero
Business Manager
I.B.E.W.-Local 326

Date

Philip Kallaughner Date
Manager, Labor Relations

Memorandum of Agreement

The parties to the collective bargaining agreement, Bay State Gas Company, hereinafter the Company, and the International Brotherhood of Electrical Workers, Local 326, hereinafter the Union, hereby agree as follows concerning elimination of the positive discipline system and implementation of the progressive disciplinary program.

1. Employees who currently have active verbal or written reminders will have such disciplinary notices expire one year from the date of issuance. Employees who currently have active decision making leaves (DML's) will have such disciplinary notices expire eighteen months from the date of issuance.
2. (a) For purposes of the progressive disciplinary program, written reminders under the former positive disciplinary system will be considered to be "written" warnings under the progressive disciplinary program.

(b) For purposes of the progressive disciplinary program, Decision Making Leaves (DML's) under the former positive disciplinary system, will be considered to be "suspensions" under the progressive disciplinary program.

LETTER OF UNDERSTANDING
DAY AFTER THANKSGIVING COVERAGE

During recent negotiations, the Company and the Brotherhood agreed that eight (8) qualified employees made up of five (5) Service Technicians and three (3) Meter/Metscan employees will provide coverage on the Day After Thanksgiving.

LETTER OF UNDERSTANDING
SERVICE DEPARTMENT REORGANIZATION

This Agreement dated March 11, 1993, is entered into by both Bay State Gas Company and the Union, IBEW Local 326, without precedent or practice and without amending the present contract. The following conditions are agreed to:

Grade 9 Service Technicians who volunteered to become part of the new Grade 6 Meter Roster would for the purpose of retirement only, retain their Grade 9 status as long as they remain in the new meter roster. This will hold true for both fitters, J. Vernile and W. Desrosiers.

The Service Technicians who agree to transfer to the Grade 6 Meter Roster will receive fifty percent (50%) of any negotiated increase until their salary and their new grade position are equal. They are: G. Gravel, T. Emmett, W. Desrosiers, J. Vernile, J. Holmes, J. Rowan and C. Kaslow.

The seven (7) Service Technicians who accept this agreement and those men currently waiting to progress from the existing meter/metscan group will be granted first right of refusal in the event an Appliance Service Tech "C" progression becomes available. They are: G. Gravel, T. Emmett, W. Desrosiers, J. Vernile, J. Holmes, J. Rowan, C. Kaslow, R. Roy, R. Chagnon, G. Reuter, S. Daigle, D. Murphy, W. Cairnes, and D. Maslowski.

IBEW, Local 326

Bay State Gas Company

Terrence M. Gordon
Business Manager

John R. Snow
Vice President

Robert T. Aziz
Manager, Operations

Sharon A. Eon
Manager, Employee Relations

LETTER OF UNDERSTANDING AGREEMENTS AND PAST PRACTICE

During the term of this agreement the Company and the Brotherhood agree to review all jointly signed letter or memorandum of agreement or recognized past practice and present such letters, memoranda or practice it wishes to have continue. If either party wishes to discontinue such agreement or past practice it will become a subject of bargaining at the succeeding contract, but will continue in force during the term of this contract. Upon expiration of this contract all such letters, memoranda or practice not agreed to be continued by the parties will cease to have effect.

LETTER OF UNDERSTANDING PERFORMANCE BASED MEASUREMENT

During the term of the contract the Company and the Union agree to meet to develop testing and other criteria for individual performance measurement. These performance measurement criteria will be used in conjunction with other standard selection criteria to determine which candidate ultimately will be awarded an open bid position. The parties will meet at least semi-monthly to review these criteria.

LETTER OF UNDERSTANDING TEN HOUR DAYS

During the first three (3) months of this contract the Company and the Brotherhood agree to create an implementation plan for the use of ten hour work days. The issues include but are not limited to the following:

- | | |
|--------------------------|------------------------|
| 1. Meal Period | 7. Vacation |
| 2. Rest Time | 8. Holiday Allowance |
| 3. Overtime Compensation | 9. Equivalent Time Off |
| 4. Reporting for Work | 10. Funeral Leave |
| 5. Call-Out Allowance | 11. Jury Duty |
| 6. Meal Allowance | |

LETTER OR UNDERSTANDING
FAILURE OF FEDERAL OPERATOR CERTIFICATION REQUIREMENTS

If an employee, who is required to be certified under the Federal operator certification qualification requirements, fails to become certified with the time limits required for certification, such employee will be offered in seniority order the following options, provided the employee has the demonstrated ability to perform the available work.

A. Employees who are not certified, within the time required for certification, will be polled to determine if any wish to accept voluntary layoff. Those volunteering will be laid-off. Those not accepting voluntary layoff will be offered in seniority order the following options:

Option 1: To bump the junior employee in any job title on any shift where Federal operator certification is not required provided he or she has successfully performed the job according to the human resources records of the Company, or is able to meet the requirements of the job following a brief familiarization period under normal supervision.

Option 2: To take any open job where Federal operator certification is not required, with preference in choosing among open jobs being given in accordance with seniority. "Open job" as used here includes jobs posted but not bid on and jobs held by probationary employees and/or part time employees.

B. Employees exercising Option 2 will be offered the same training offered a successful bidder.

C. Any employee eligible to exercise either option 1 or 2, must exercise such option within 24 hours, excluding weekends and holidays, of notice by the company that the employee has failed to meet the operator certification requirements.

D. If an employee fails to exercise his or her option(s) with the time frame above, such failure to act will be deemed to be a waiver of the right to exercise such option(s) and the Company shall then proceed with the procedure by placing the employee in accordance with option 1 or 2.

E. Any employee who exercises his or her right to bump under Option 1 or 2 and fails, will be placed on indefinite layoff, however, any employee affected by the Federal Operators Certification Requirements, who has attained 15 years of service by October 1, 2002, shall not be subject to the layoff provisions of this section.

**LETTER OF UNDERSTANDING
ISSUANCE AND EXPIRATION OF
NON-ATTENDANCE DISCIPLINARY WARNING NOTICES**

Verbal warnings and written warnings will become inactive after one (1) year from the date of the violation provided there is no intervening discipline. Suspensions will become inactive after two (2) years from the date of the violation provided there is no intervening discipline. Any intervening discipline within the one (1) or two (2) year elimination period, as the case may be, keeps all prior discipline active until the expiration of the last warning or suspension notice.

BAY STATE GAS COMPANY
INCENTIVE PROGRAM
BARGAINING UNIT EMPLOYEES

PROGRAM YEAR:

The bargaining unit incentive program will operate during an annual measurement period which commences on January 1st of each year and ends on December 31st of the same year. The bargaining unit incentive program shall be coterminous with the applicable collective bargaining agreement(s).

ELIGIBILITY:

1. All regular employees, full or part-time, in the applicable bargaining unit(s) are eligible to participate in this incentive program on the basis of eligible base pay earnings during the measurement period.
2. A newly hired regular employee is eligible to participate in this incentive program on the first day of employment.
3. Any participating employee who voluntarily terminates his or her employment, or who is discharged by the Company for misconduct or a violation of Company policy, or who is discharged for any reason while a probationary employee, will not be eligible for any incentive payout resulting from the measurement period in which the termination or discharge occurs.
4. Employees on jury duty, military service, special assignment outside the Company, vacation, approved leave-of-absence, or who retire, die or are laid-off for economic reasons, or accept a voluntary separation plan or package from the Company, will participate fully in the plan, but only to the extent of the employee's eligible base pay earnings during the measurement period.

DEFINITIONS AND EXPLANATION:

The program will be a profit-sharing incentive plan based on budget performance and other performance modifiers. It will be based solely on the operations of the regulated portion of Bay State Gas Company's business only and not on parent or subsidiary operations or budget performance except as noted as follows. When the term "Bay State Gas Company" is used in this document, it is also intended to include Northern Utilities, a wholly owned subsidiary of Bay State Gas Company, where applicable bargaining units are involved.

1. "EBIT BUDGET" is defined as earnings before interest and taxes (EBIT) at or above budget for each plan year (the measurement period) for Bay State Gas Company.

2. "BASIC INCENTIVE PAYMENTS" means a portion of the percentage over EBIT budget that will be provided to those who participate in the plan based on Schedule "A" of this document.

3. "LUMPSUM" All eligible employees, as described above, will receive a payment based on the earnings over budget (EBIT) of the regulated operations of Bay State Gas Company's business in accordance with Schedule "A" of this document. This will be paid as a lump-sum payment and will not be added to base pay or base rate. The lump-sum basic payment will never exceed four percent (4%) of an employee's base pay. The lump sum basic payment will vary from year to year based on EBIT performance and the total payout under the plan will vary from year to year based on operating performance as measured by the modifiers. The total payout from the plan, including the basic incentive payment and modifiers, (paragraph 4a & b below) will never exceed six percent (6.0%) of base pay.

The Lump-Sum payment will be determined by the following schedule and performance modifiers:

SCHEDULE "A"

Percentage over EBIT Budget

Basic Incentive Percentage Payments

Column "A"

05%-9%
10%-14%
15%-19%
20%-24%
25%-& over

Column "B"

1/2% of base pay
1%
2%
3%
4%

(4) Basic Incentive payments (column "B") will be made in not less than 1/2% increments. Should EBIT performance (column "A") fall between the ranges stated above, the lump-sum payment (Column B) will be calculated by rounding the EBIT performance to the nearest full percent.

PERFORMANCE MODIFIERS-OPERATING EMPLOYEES

(a) Basic lump sum incentive payments (column "B") will be increased or decreased by .25% (one-quarter of one percent) for each lost time accident above or below the target for lost time accidents for that location in the measurement period. For the lost time accident performance modifier, performance below the target serves to increase the incentive payout and performance above the target serves to decrease the payout. The

target is the prior three (3) year average for lost time accidents per 100 employees for the location, (The OSHA Frequency Formula). However, in no event will the basic incentive payment percentage, (column "B") be increased or decreased by more than one percent (1.0%) due to the lost time accident modifier.

(b) Basic lump sum incentive payments will be increased or decreased by .125% (one-eighth of one percent) for every 1% increment above or below the target, rounded to the nearest whole percent, for the number of work orders completed on the same day as scheduled. For this modifier, performance above the target serves to increase the payout while performance below the target serves to decrease the payout. The target is the prior year performance level for work orders completed on the same day as scheduled for the location. However, in no event will the basic incentive payment percentage be increased or decreased by more than one-half of one percent (.50%) due to this performance measure.

(c) Basic lump sum incentive payments will be increased or decreased by .125% (one-eighth of one percent) for every 1% increment above or below the target for customer satisfaction. For this modifier, performance above the target serves to increase the payout while performance below the target serves to decrease the payout. The target is the prior year customer satisfaction performance level for the location. However, in no event will the basic incentive payment percentage be increased or decreased by more than one-half of one percent (.50%) due to this performance measure.

NOTE: The Company reserves the right to change the EBIT target and the performance modifiers above (lost time accidents, work orders completed & customer satisfaction) to other performance measures on an annual basis. However, once established for the annual measurement period, such performance measures will not change during the annual measurement period.

5. "BASE PAY" includes all earnings in the current measurement period, except performance bonuses, incentives and commissions, short term disability, long term disability, workers' compensation payments, severance pay, expenses, meal allowance, car allowance and any lump-sum payments made in accordance with employee separation plans.

6. "PAYMENT/TIMING" Payments under the plan will be made annually in the first quarter following the end of the measurement period but no later than March 15.

7. "COMMUNICATIONS" The goals and results of the "plan" will be communicated to all participating employees on a quarterly basis.

8. "BENEFIT APPLICATION: The lump-sum payout will not be included in any employee benefit programs tied to pay. Payments under this plan are subject to all Federal, State and Local taxes.

9. "OTHER PROVISIONS" Issues or questions resulting from the application and/or

interpretation of this Incentive Program will be resolved by the senior management of Bay State Gas Company consistent with these plan provisions and with all applicable statutes and regulations.

Participation in this program by any employee does not imply a commitment of continued employment by Bay State Gas Company.